CALIFORNIA DEPARTMENT OF TRANSPORTATION

DIVISION OF TRANSPORTATION PLANNING

STRATEGIC PLAN

A THREE-YEAR PLAN FOR PROJECT INITIATION DOCUMENTS AND FOR STREAMLINING THE PID PROCESS

March 2010

Submitted to
The California State Joint Legislative Budget Committee

Caltrans

Table of Contents

Figures and Tables

Appendices

Executive Summary

The Division of Transportation Planning's Strategic Plan (Plan) for Project Initiation Documents (PIDs) represents the California Department of Transportation's (Caltrans) commitment to managing its PID program and addresses the issues raised by the Legislative Analyst's Office's (LAO) February 3, 2009, Budget Analysis Report. The Legislature requested that Caltrans collaborate with external stakeholders in identifying ways to streamline the PID development process by investigating the potential of cost-sharing and streamlining the PID process to reduce costs and delays. The LAO's report discussed the management of the PID program, with recommendations to base staffing on workload, to employ criteria for developing PIDs, and the need to include information regarding the viability of PIDs being developed. This document addresses these concerns.

Based on consultation with regional transportation agencies and other local partners, Caltrans has established that:

"The goal for the Project Initiation Document (PID) Strategic Plan is to create a consistent, transparent, and fiscally-efficient process for delivering highway improvement projects identified in long-range transportation plans."

The Plan adopts an overarching principle:

"Redundant work or unnecessary efforts will be safely and appropriately eliminated. A project-specific guideline allowing the flexibility to appropriately defer some studies and an implementation plan can reduce delays and increase efficiency in the PID development process."

The Plan offers approaches for improving the management of the PID by presenting recommendations and strategies for Caltrans and other agencies to streamline the current process for developing PIDs. It also addresses cost-sharing and the reduction of costs and delays. Additionally, it speaks to three main concepts discussed in the 2009 LAO Budget Analysis report: 1) Reduce staffing for project planning in Fiscal Year (FY) 2009/10; 2) Base staffing on workload beginning in FY 2010/11; 3) Improve management of PID activities. The Plan is composed of three sections: Program Management, Program Improvement, and Plan Implementation.

The first important component of the PID Strategic Plan is the active management of the viable PID "shelf," i.e., those PIDs 100 percent complete but not programmed. A PID shelf, comprised of a strategic mix of viable PID projects, is necessary for the orderly implementation of projects identified in long-range constrained plans, and also for taking advantage of unpredictable funding opportunities, such as Proposition 1B, American Recovery and Reinvestment Act of 2009 economic stimulus funds, and the upcoming federal transportation bill, that will provide funding to move projects through all phases of the project development process. Over the

next year, Congress will be working on a new multi-year federal transportation bill that is widely expected to authorize higher levels of funding for the next four to six years. The PID Strategic Plan recommends that the PID shelf be reviewed annually, or more often, as needed. The Plan provides criteria to assess and determine which projects should remain on the PID shelf. To have a healthy shelf, ready for funding opportunities, the Plan defines criteria for selecting and managing PID workload and recommends reviewing the SHOPP PID workload annually as part of the update of the 10-year SHOPP.

In addition to managing the inventory of PIDs, this Plan seeks PID program improvements. In an effort to fully utilize the existing PID processes and procedures, Caltrans intends to better educate PID stakeholders and clarify the processes within the *Project Development Procedures Manual* (PDPM). Clearer communication between the Project Development Team (PDT) and stakeholders, in the form of pre-PID meetings, is a crucial element in identifying early project alternatives, and for defining the appropriate amount of work for each PID.

This Strategic Plan also proposes cost-sharing in developing PIDs on the State Highway System (SHS) via reimbursement to Caltrans for developing those PIDs. The Plan studies the risk management process and recommends developing a PID charter to document any constraints, assumptions, potential fatal flaws, applicable cost-sharing terms, and risks in developing PIDs. Caltrans will establish a taskforce to examine and update its PDPM. The PID guidance in the PDPM should clarify when it is appropriate to use *ballpark* cost estimates. This section also discusses: conflict resolution, Caltrans' PID oversight, separate guidelines for SHOPP and State Transportation Improvement Program (STIP) PIDs, and performance measures.

Caltrans focused its efforts on implementing key recommendations identified within the Plan, particularly those outlined in the LAO's report. Specifically, that the PID program must become more transparent by addressing issues related to staffing levels, base workload, and management of PID activities. Caltrans will continue to pursue ways to streamline PID scopes of work and extend cost-sharing opportunities. In doing this, Caltrans will: a) establish a pilot program for cost-sharing; b) further educate internal/external staff on guidance and procedures; and c) form a PID Improvement Taskforce that will continuously evaluate the effectiveness of the Plan. These findings will be reported as part of the Plan's annual updates.

As a part of this Strategic Plan, Caltrans has identified an inventory of 99 STIP shelf PIDs. This represents a total of $8.1 billion* of improvements over the three-year period of this Plan (see Appendix D). For SHOPP projects, this Strategic Plan identifies an inventory of 308 shelf PIDs for the next three years estimated at $ 3.6 billion* (see Appendix C).

** Total value of projects through construction.*

The Plan proposes a total of 444 STIP projects estimated at $42.9 billion* over the three-year period of this Plan (see Appendix B). Of the 444 STIP projects listed, 215 projects ($17.5 billion*) are proposed to be funded partially or exclusively from STIP dollars. The value of PIDs proposed for development in the SHOPP total 878 projects at $6.8 billion (Capital Outlay [Right-of-Way + Construction + Environmental Mitigation] plus Capital Outlay support [Support Staff]) over the three-year period of this Plan (see Appendix A). Projects identified in the Plan represent the need for statewide transportation improvements and the actual yearly workplan will be adjusted, based upon district allocation levels.

In addition, the Plan identifies 75 studies, including major investment studies, feasibility studies, special studies, etc. Because studies are not engineering scoping documents, they are not included in the statewide PID summary report. For resource planning purposes, they are included in the three-year Plan to ensure they are budgeted and accounted for.

The following key recommendations are identified to support the goal of the Plan and to respond to issues raised by the LAO and other stakeholders, while being mindful of future trends and challenges:

KR KEY RECOMMENDATION #1:

Develop a three-year PID Strategic Plan to be updated annually by Caltrans by December 1 of every year, in coordination with the California Transportation Commission (CTC), Caltrans' Office of Projects and Plans Coordination, and the regional agencies (see page 17).

KR KEY RECOMMENDATION #2:

Caltrans and regional agencies will collaborate using defined criteria to maintain a healthy shelf inventory. A careful review of the existing shelf will determine which projects should remain; looking at:

- PIDs on the shelf for 5 years or more.
- Validity of original purpose and need.
- Strategy and prospects for funding the project.
- If not imminently fundable, whether the project is a regional priority. (see page 17)

KR KEY RECOMMENDATION #3:

The number of PIDs should not be limited to near-term STIP or SHOPP programming capacity, in order to be ready for funding opportunities, to build a long-term programming strategy, and to be responsive to developer or local-fee program proposals. Criteria for selecting new projects and developing PID workload includes:

- Correlate PIDs developed to likely funding sources.
- Project addresses deficiencies identified on the transportation system (including Safety and Mandates).
- Project included in a long-range plan. (see page 19)

KR KEY RECOMMENDATION #6:

For internal and external stakeholders, enhance PID outreach activities for existing guidance and procedures that can be used to streamline the PID development process and reduce costs and delays.

KR KEY RECOMMENDATION #8:

If project sponsors concur with the risk analysis, they must accept ownership and ramifications for the risks associated with their respective projects. All identified risks and risk owners should be documented in the project's risk register.* (see page 19)

KR KEY RECOMMENDATION #9:

Project sponsors must document the purpose and need, funding strategy, project deliverables, known constraints, assumptions, potential fatal flaws, applicable cost-sharing terms, and risks in the project charter developed in concurrence between Caltrans and the project sponsor at the pre-PID meeting. This provides the necessary framework for developing a clear and concise PID scope of work. (see page 22)

KR KEY RECOMMENDATION #10:

A Caltrans district director will convene an Executive Review Committee (Committee) if conflict over the necessary content of the PID arises. The members of the Committee shall include Caltrans' headquarters (HQ) Capital Design Coordinator, the HQ Project Management Liaison, the district's deputy director responsible for PIDs, and a local agency representative. The Committee will make a final recommendation to the district director. (see page 23)

KR KEY RECOMMENDATION #14:

Caltrans will develop and implement a PID pilot program whereby regional and local agencies would have the option of reimbursing Caltrans for developing streamlined PID documents. Caltrans will use the existing Project Study Report-Project Development Support (PSR-PDS) document as the basis for the streamlined document until Caltrans and the regions agree on an approach to streamline PID documents for STIP candidate projects. The project sponsor and Caltrans district staff may negotiate cost-sharing terms for any additional work that may be agreed to at the pre-PID meeting (or may become necessary later). When agencies request that Caltrans develop PIDs not identified in their respective, financially constrained, annual district PID

**The risk register is a document where risks are identified that may affect the project's ability to achieve its objectives.*

KR *Key Recommendation*

workplans or not identified as a priority in their respective regional funding strategies, these agencies will be required to reimburse Caltrans for any work associated with the development of these PIDs. (see page 28)

KR KEY RECOMMENDATION #15:

Project sponsors will have the option of reimbursing Caltrans districts for some or all of the costs associated with Independent Quality Assurance (IQA), feasibility studies, major investment studies, and special studies. As outlined in the Project Delivery Procedures Manual (PDPM), districts and project sponsors should have early and continual discussions to establish the viability of the project proposals, procedural requirements, and the schedule for various project deliverables. All agreements between Caltrans districts and the project sponsors should clearly identify terms and definitions of standard oversight activities (e.g., IQA). (see page 28)

KR KEY RECOMMENDATION #16:

Caltrans will proceed to use the Project Study Report-Project Development Support (PSR-PDS) to move locally-funded STIP candidate projects into the environmental phase. Amend Chapter 9 (Project Initiation) and Appendix L (Project Study Report) of the Project Development Procedures Manual (PDPM) to clarify the appropriate level of detail necessary to develop PIDs. The guidance should also clarify the appropriate use of ballpark or order of magnitude estimates and discuss the need to regularly update cost estimates prior to approval of the project report. (see page 30)

KR KEY RECOMMENDATION #18:

Caltrans intends to streamline PID review procedures and provide detailed guidance in the Project Development Procedures Manual (PDPM) for PID oversight activities for PIDs funded by others. (see page 31)

KR KEY RECOMMENDATION #21:

Caltrans will form a PID Improvement Taskforce (Taskforce), including internal and external stakeholders, to continuously evaluate the effectiveness of the PID Program and the PID Strategic Plan. The Taskforce will also recommend further improvements related to cost-sharing, reducing costs and delays, and streamlining procedures associated with the development and oversight of PIDs. The Taskforce will meet quarterly, or as needed, and report its findings in annual December 1 updates of the PID Strategic Plan. (see page 32)

(End of Executive Summary)

Background

Origins & Legislative Requirements

In 1990, the California State Legislature (Legislature) placed the Project Study Report (PSR) requirement into State statute as part of the Blueprint package that redefined state programs, increased the gas tax, and provided bond funds for transit programming. It also required that Caltrans prepare PSR guidelines for CTC review and adoption.

The project initiation phase is the first formal stage in developing a solution for a specific transportation deficiency. The project initiation phase occurs after the system and regional planning process. The outcome produces a Project Initiation Document (PID) that establishes a well-defined purpose and need statement and a proposed project scope tied to a reliable cost estimate and schedule.[1] A PID is required when using State funds for capital improvements on the State Highway System (SHS) or for any major work. All projects on the SHS require an approved PID or equivalent document to construct within the State's right-of-way. Proposed projects on the State's Interstate System that involve modifications or changes to access may require a Project Study Report (PSR) from the districts for Federal Highway Administration (FHWA) approval.

California Government Code section 65086.5 defines the out requirements for PIDs:

- PIDs shall address project limits, description, scope, costs, and amount of time needed for initiating construction.
- Caltrans shall review PIDs prepared by others.
- Caltrans may be requested to prepare a PID. If it is unable to complete the PID in a timely manner, the requesting entity may prepare the report.
- Caltrans shall prepare guidelines for PIDs, which shall address "reliable cost estimates."
- California Transportation Commission (CTC) shall review and adopt PID guidelines by October 1, 1991.
- California Government Code sections (Code) 14526(b) and 14527(g) require regional agencies and Caltrans to prepare PIDs (or equivalent documents) for all local projects nominated for the State Transportation Improvement Program (STIP).

[1] *Project Development Procedures Manual, Chapter 9, Article 1, California Department of Transportation*

Purpose and Objectives of PIDs

A PID should accomplish several objectives:

I. Define Improvements

- Define purpose and need clearly enough to start an environmental document and to understand the project intent and scope allowing for a logical termini of the intended project.
- Lay out the project scope, and use it to derive *ballpark* estimates of delivery schedule and cost for the next project development phase.
- Develop project alternatives, and eliminate any that do not meet the purpose and need.

II. Facilitate Communication

- Provide local agencies with Caltrans' input when they propose a development or transportation project in the near or medium future so they can plan for SHS improvements, right-of-way preservation, project phasing, and fair share contributions.
- Provide program managers and programming agencies with sufficient information (scope, schedule, and cost) to assess whether, how, and when they may be able to program and fund a project, or fund stages of a project.
- Provide project cost estimates to accurately plan for the project's short- or long-term delivery plan using either an *order of magnitude* estimate or project construction-level estimate.
- Provide the FHWA with project information for FHWA approval for changes on the interstate system.

III. Minimize Risks

- Ensure the potential fatal flaws of the project alternatives have been identified.
- Consider whether and how the project might be segmented into more easily fundable segments allowing for logical termini or implementation stages.
- Consider what significant risks the project may face and assess those risks in more detail utilizing a Risk Management Plan.

The Requirements of the February 20, 2009 Budget Act

"Of the funds appropriated in Schedule (9), $36,475,000 is for the Department of Transportation's preprogramming activities, including the preparation of project initiation documents. No later than October 1, 2009, the Department shall convene a working group in partnership with local agencies to identify options to share costs, lower costs, streamline procedures, and reduce delays associated with project initiation documents. The Department shall report the findings and recommendations of the working group to the Joint Legislative Budget Committee no later than March 1, 2010."

Questions Raised by Legislative Analyst's Office

The Legislative Analyst's Office (LAO), in its annual budget report of February 2009, provided findings and recommendations on Caltrans' PID program. The report suggested that PID resources should be tied to workload needs; this includes early estimates for the workload. Criteria included in the Plan will be used to determine the level of effort required for the development of PIDs for the State Highway Operation and Protection Program (SHOPP) and STIP projects. In addition, the PID program will establish clear criteria, data, and other information to determine the viability of PID projects and the PID shelf.

The LAO, in its annual budget report (February 2009), raised three key issues:

- Should staffing for PID activities be based on workload?
- What is the criteria for selecting PID projects?
- How do you assess and determine the viability of the PID shelf?

The LAO recommended that:

- Caltrans tie PID resources to workload needed to develop and update PIDs and demonstrate how it estimates that workload starting in FY 2010/11.
- Caltrans should provide criteria for selecting SHOPP PID projects in its PID guidance documents.
- Caltrans should improve its management of PID resources and report back to the Legislature.
- Caltrans should increase reimbursed work for PID quality assurance.

The PID Strategic Plan Workgroup

Caltrans and several regional and local partners collaborated to develop a Strategic Plan framework for PIDs and to streamline the PID process. The Strategic Plan workgroup first convened July 28, 2009, and the Streamlining workgroup first met August 18, 2009. The Strategic Plan workgroup met weekly, with a total of 12 meetings. The Streamlining workgroup was a parallel effort, which met weekly for six weeks with many hours of effort devoted to the discussion of potential streamlining measures.

The Streamlining workgroup formed and convened five subgroups covering the topics:

- Preliminary Environmental Assessment Report (PEAR)
- Scope of Work
- Cost-sharing/Reimbursement
- Stormwater
- Risk Management

The Strategic Plan framework includes a proposed workplan for a three-year program designed to link PID development with potential transportation funding. All projects included in this workplan must be included in either a Regional Transportation Plan (RTP) if they are STIP projects or the 10-Year SHOPP if they are SHOPP projects (excluding projects within the Collision Reduction Safety Improvement or Emergency programs, which are developed as needs arise). The workgroup's recommendations focus on the efficient fiscal management of state highway projects. The overarching principle for the recommended streamlining measures is that we safely and appropriately eliminate unnecessary or redundant effort.

Existing Policies and Procedures:

Chapter 9 (Project Initiation) and Appendix L (Project Study Report) in Caltrans' *Project Development Procedures Manual* (PDPM) provides guidance for PID development. The Project Study Report (PSR) is one type of PID and, since they are defined in statute, serves as the model. The other nine types of PIDs are generally modified and specialized versions for specific kinds of projects or situations, mostly aimed at state highway rehabilitation, safety, damage repair, non-highway, and minor projects for the SHOPP.

The SHOPP program comprises the system needs for ten major categories of funding and 41 separate funding programs:

- Emergency Response (3 programs)
- Emergency Response (3 programs)
- Collision Reduction (4 programs)
- Legal and Regulatory Mandates (6 programs)
- Bridge Preservation (7 programs)
- Roadway Preservation (6 programs)
- Mobility (3 programs)
- Roadside Preservation (4 programs)
- Facilities (4 programs)
- Minor B Program (1 program)

Chapter 9 in the PDPM focuses on items that a PID must consider: project purpose and need, design scope including engineering standards, alternatives, project context, environmental studies, safety, constructability, and requirements for federal projects. Appendix L lays out the process and format outline to be followed in preparing a PID: pre-PID meeting, Project Development Team (PDT), purpose and need consensus, field review, existing reports and data, need for new information, initial studies, cost estimates, reviews, and approval. It also contains outlines, checklists, and templates for various kinds of PIDs and associated studies.

The PDPM notes connections between work done for a PID and the need for various studies, including: value analysis, risk assessment, traffic studies, geotechnical studies, surveying, floodplain mapping, hazardous materials studies, and stormwater reports. The PDPM generally allows the flexibility to perform these studies when deemed appropriate, but it leaves the impression that they should be considered as normal work for a PID.

Caltrans has a long-term interest in the preservation of the State Highway System (SHS). Local agencies make decisions to invest their transportation funds on the SHS and partner with Caltrans and other stakeholders to determine how these funds are invested on the system. The State Transportation Improvement Program is divided into two parts with the regions receiving 75 percent of the funding through the Regional Transportation Improvement Program (RTIP) and Caltrans receiving 25 percent of the funding through the Interregional Transportation Improvement Program (ITIP).

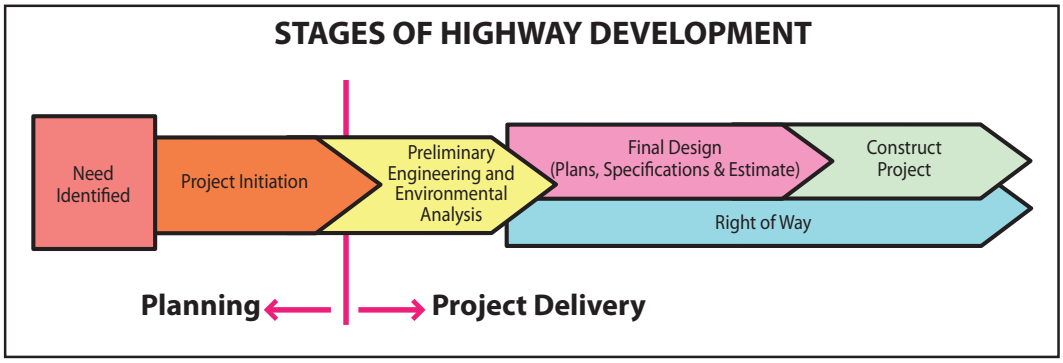
Caltrans usually prepares PIDs for STIP projects in collaboration with local agencies and when resources are available. For projects from regional and state long-range plans funded through the RTIP and ITIP, local agencies prepare the PID. Caltrans performs Quality Assurance (QA) after the local agency performs the Quality Control (QC) aspects. Caltrans also reviews PIDs, performing QA after local agencies perform QC for local and developer-funded projects. These PIDs are typically prepared by consultants. Caltrans' efforts may also require both QC/QA for outside agencies because of a lack of verifiable QC efforts which significantly increases Caltrans' staff efforts for PID approval. Caltrans prepares PIDs in its 12 districts and then their Division of Engineering Services circulates and reviews the PIDs within the district office, headquarters, and external stakeholders. Some matters are discussed with headquarters staff, particularly Mandatory and Advisory Highway Exceptions according to the requirements of the Caltrans Highway Design Manual for design exceptions.

For PIDs completed by others, California Government Code mandates that Caltrans completes their review within 60 days, which requires some degree of standby resources for PIDs that are submitted throughout the fiscal year. PIDs can take anywhere from a few months to several years to prepare. A PID for a SHOPP pavement rehabilitation project, similar to a STIP left turn pocket project, might need a few months to complete, while a SHOPP PID for major bridge replacement or a STIP PID for a highway, expressway, or freeway project on new alignment can take several years.

The Planning, Programming, and Project Development Spectrum

In essence, the PID serves as a bridge from the long-range plan to programming and funding the project. Once programmed and funded, project work proceeds with project approval and the environmental document, followed by design (plans, specifications, and estimates), right-of-way, and construction (see Figure 1 next page).

Figure 1: Project Delivery Spectrum



Programming represents the dividing line between planning and project development, and the PID clearly falls on the planning side of that line. Caltrans has recognized that fact by centralizing the PID management office in the Division of Transportation Planning. The Division of Transportation Planning also coordinates with other Caltrans divisions. PIDs are intended to serve as a prerequisite to programming, and not a new project phase to be programmed and funded.

For PIDs, the key is an appropriate level of preliminary studies and cost estimation to determine:

1. What is the transportation deficiency?
2. What features must the project include?
3. What other features would be desirable?
4. What is affordable?
5. Given the purpose and need and collateral interests, what alternatives should be considered? What other alternatives may be brought forward but would not meet purpose and need?
6. Have any feasible multimodal features and alternatives been identified?

Those preparing the PID must carefully consider what programming components are expected next, e.g., environmental studies and preliminary engineering, so the next phase can be accurately programmed. The findings of the PID can also indicate a project's feasibility or if the project is too costly to program. It is important to understand, as early as possible, how much programming capacity a project may need for completion. Most complex projects are not programmed for construction

until the environmental phase has been completed or is nearly completed. The Project Study Report-Project Development Support (PSR-PDS) is a type of streamlined PID for STIP candidate projects and is used only to program the support costs needed to achieve project approval and does not require the same level of detail as a PSR.

PID Program Management

Shelf Management

Background

Historically, transportation funding has tended to occur in "boom-bust" cycles, and circumstances and priorities can quickly change. Caltrans needs to review its PID shelf inventory and update its PID workplans to ensure that it contains a relevant lineup of viable and needed shelf projects in order to take advantage of future programming opportunities.

Examples of triggers to indicate a review of the PID shelf may be necessary can include:

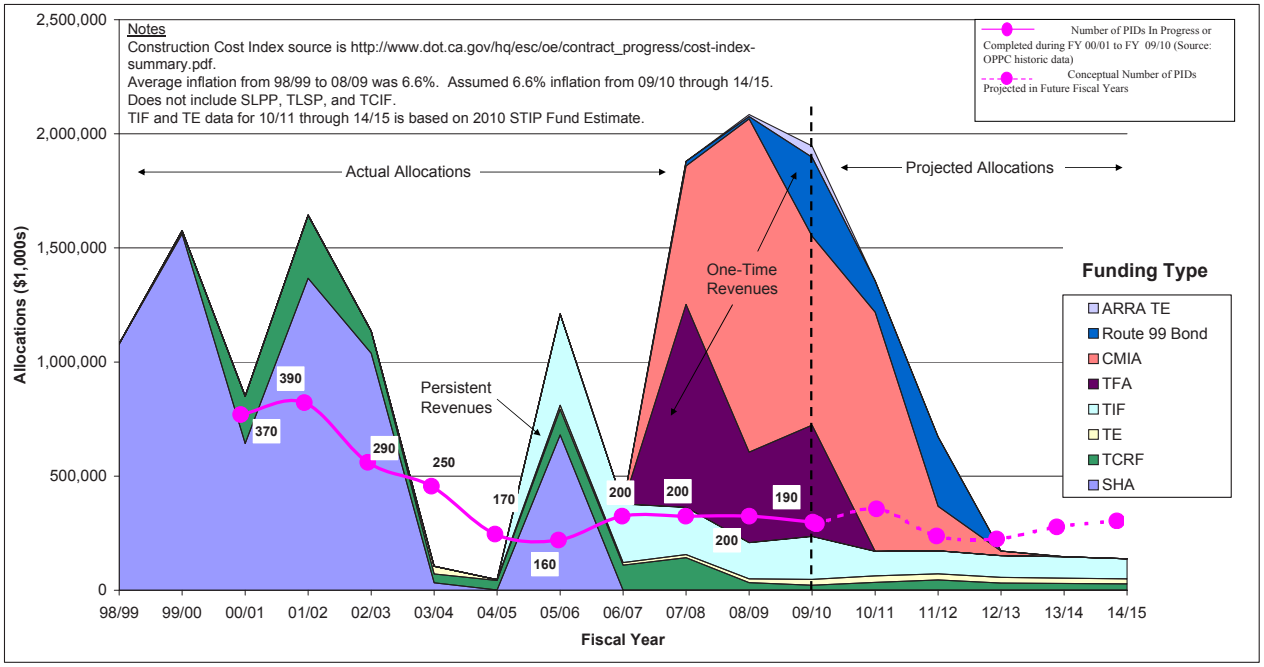
- Updates of the long-range plans from which PIDs are taken (e.g., Transportation Concept Reports (TCR), Corridor System Management Plan (CSMP), Regional Transportation Plan (RTP), and Interregional Blueprint).
- Changes in:
  - Design standards (e.g., American Disabilities Act of 1990).
  - Funding programs (e.g., new Resurfacing and Restoration pavement rehabilitation program).
  - Policy requirements (e.g., Pavement Life Cycle Cost Analysis).
  - Selection criteria for projects (e.g., funding becomes available for Roadway Preservation projects and is removed/reduced from Pavement Rehabilitation Program).
- Projects programmed from the PID shelf inventory.
- Changes in physical conditions, such as large new local developments or new truck routing patterns, or political priorities in the region.
- Tax measures or other referendum passed into law.
- Updates of the 10-year SHOPP.
- The need to prepare PIDs for strategic reasons, not in response to variations in current funding.
- The annual review of the PID shelf inventory, removing those that have come to construction, designating a few (if funding is available) to move forward into the environmental phase, and identify new ones to continue Plan implementation and respond to recent programming.
- Changes in the needs, priorities, or external conditions (consider removal).

MANAGING THE SHELF

Management of the PID shelf requires good judgment, accountability, and transparency. Caltrans should perform assessments of the PID shelf annually, or more often, as necessitated by the previously identified triggers. Caltrans and regional and local agencies should be prepared to update the PID shelf upon the update of their RTPs or upon an influx of unforeseen local, state or federal funds. Urban regions must, by law, update their RTPs at least every four years and rural regions every five years. Both near-term and long-term priorities can change with the updates of these plans.

The identification of viable shelf PIDs is critical to managing the PID program. Completed PIDs that have been on the shelf for more than five years should be assessed at least once a year. Each PID should be assessed for viability of future programming, using agreed upon removal criteria. The criteria should be flexible, while adhering to the intent of the Strategic Plan. Application of the criteria should occur as a high-level review of the document, which does not require a full-scale review of all aspects of the PID to make the decision. The decision-making process should lean towards a removal of five-year-old PIDs from the shelf, unless the preponderance of the following remains valid: availability of funding; validity of traffic analysis; purpose and need; priority ranking; and/or private development involvement. Funding availability is probably one of the most important issues. Since the RTPs are federally required to be fully-funded, financially constrained, and conforming to Air Quality requirements, Caltrans needs to review the Tier 1 (constrained for funding) listing of projects for viable, fundable non-SHOPP projects.

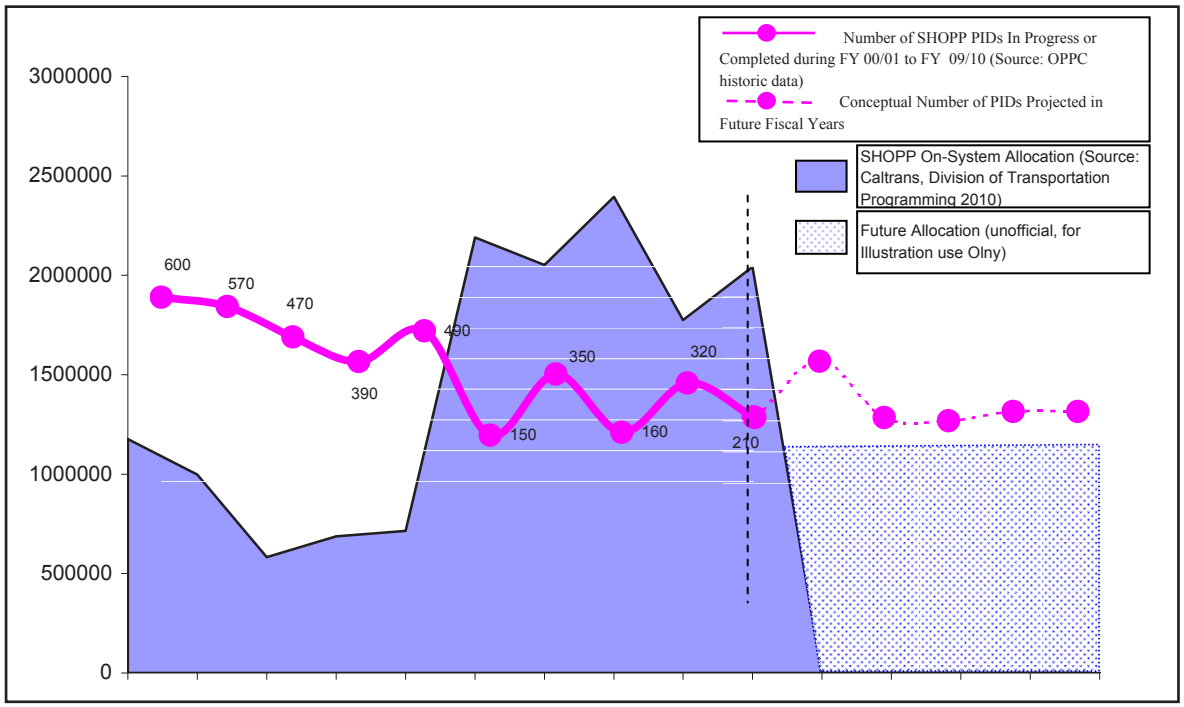
Figure 2: Non-SHOPP On-System Allocations and Projected Allocations (Adjusted for Construction Costs Index, in 2005/2010 dollars)



Source: Caltrans Transportation Programming

With a history of "boom-bust" cycles (see non-SHOPP and SHOPP On-System Allocations in Figures 2 and Figure 3), it is strategic to not restrict the number of PIDs developed to programming capacity. The value and type of PIDs on the shelf should be driven by the investments Caltrans, regional agencies, and other local stakeholders agree are the right improvements considering historic and foreseeable funding levels, to be made on state highways in the next five or more years. PIDs should represent a consistent and orderly flow of projects, from long-range plans to readiness for programming. Contrary to what one might think, the lower the amount of funding available for current programming, the greater the need to prepare for scenarios involving additional funding. Congress and the Legislature typically respond to a period of low investment in transportation by providing more funding, and that is the time when an adequate shelf of PIDs may facilitate the programming of new projects, those consistent with regional and state priorities. The demand for new projects (and thus the preparation of PIDs) needs to be balanced with established priorities, to deliver the existing program of projects. Caltrans, together with its partners, need to be able to manage if and when potential funding would necessitate the development of PIDs for new projects or whether it would be directed to programmed projects that are not fully funded through construction.

Figure 3: SHOPP On-System Allocations[1]



Source: Caltrans Transportation Programming

[1]*Does not include Support Costs.*

A strategic inventory of PIDs, for both the SHOPP and STIP, set by priority needs, reasonable funding expectations, and not being reactionary to the "boom-bust" cycle would tend to level out "boom-bust" cycles rather than exacerbating them. This inventory should include PIDs in development and those PIDs completed and on the shelf. Should additional resources become available through the next federal authorization, a new State bond act, a second federal recovery act, cost savings, or increases through the Fund Estimate, PIDs on shelf are available for programming.

As displayed in Figure 2 above, the number of non-SHOPP PIDs prepared between Fiscal Year (FY) 2000/2001 and FY 2004/2005 was positively related to the "boom-bust" cycle. In recent years, the number of non-SHOPP PIDs has shown the trend to level-out the cycle, and Caltrans expects the trend to continue over the next few years. Figure 3 shows that the number of SHOPP PIDs developed corresponds with the available funding from FY 2000/2001 to FY 2004/2005, while from FY 2005/2006, the *number* goes up and down and is expected to assume a more level path in the future.

In addition to the number of shelf PIDs, the *variety* of PIDs must be considered. The viable PID shelf must be flexible enough to fulfill programing needs as new funding and priorities are identified. In order to ensure the PID shelf inventory has a variety of PIDs ready to be programmed, the shelf inventory needs to be assessed annually as a part of preparing each year's Strategic Plan, which will be discussed in the next section.

Recommendations:

KR 1. Develop a three-year Strategic Plan to be updated annually, December 1, by Caltrans in coordination with the California Transportation Commission (CTC), Caltrans' Office of Projects and Plans Coordination, and the regional agencies.

KR 2. Use established removal criteria to maintain a healthy shelf inventory. Criteria for assessing and determining the viability of the PID Shelf includes:

a) PIDs on the shelf for 5 years or more.

b) Validity of original Purpose and Need.

c) Strategy and prospects for funding the project.

d) If imminently, whether the project is a regional priority.

Workload Management

State Transportation Improvement Program (STIP) projects, especially high-cost ones, are typically funded from multiple sources. Caltrans, together with the regional agencies, should consider whether additional PIDs are necessary to fund new projects ready for the next round(s) of programming. All projects selected by Caltrans and the regions for PID development must originate from a long-range plan, such as the Regional Transportation Plan or the 10-Year SHOPP. The regions

should propose potential projects that have a reasonable chance of being fully-funded and "ready to go." The timing of PID development should coincide with the desired target for programming, in order to support an orderly flow of PIDs into programming. Caltrans should coordinate and consult with regional agencies to capture the region's projected PID workload over the next three years. The STIP PID project listing needs to be coordinated annually with Caltrans and regional and local partners. The STIP PID project listings will be used as a basis for developing the PID workplan, consistent with the districts' allocation levels.

Self-help counties with large, very-high-cost interregional projects present special cases where a region may have an even greater numbers of PIDs under development at a given time. Currently, there are 19 counties with local sales tax programs extending out for the next 20 to 40 years that fund transportation programs and projects. In FY 2008/2009, these self-help counties generated an estimated $1.967 billion in sales tax revenue.[1] Some of these revenues will fund areas such a transit service and local transportation projects. Other portions of the revenue will fund PIDs and other project development phases for interregional projects and projects on the State Highway System (SHS). Caltrans and the regional and local agencies need the appropriate PIDs available to deliver the projects on the SHS that are funded through local sale tax measures. Self-help counties have specific expenditure plans and, in partnership with Caltrans, must manage the PID and project delivery process accordingly. Whether the primary funding source is STIP or sales tax, the transportation partners should strive for an order flow of PIDs in preparation for future programming cycles.

In small urban or rural counties, large and very-high-cost interregional projects, in the range of $100 million or more, present the opposite challenge. In these situations, the State must provide most of the funding. In deciding to prepare a PID for these types of projects, Caltrans must verify that the project is a high priority in the RTP and also a significant priority from a statewide perspective.

Because funding opportunities for transportation projects come along intermittently, Caltrans and the regions need to agree on the priorities for future programming, including whether PIDs should be developed for new projects so they can proceed into the environmental phase. Criteria for selection and development of PIDs include projects that address:

1. Can be tied to a reasonably funding source.
2. Projects identified State, regional, or local deficiencies in the transportation system (including Safety and Mandates).
3. Come from in a long-range transportation plan (e.g., RTP, 10-Year SHOPP, etc.).

[1] *December 9, 2009 Report to the CTC: Report on Investments to SHS by outside funding sources*
**Source: see Appendix E*

Other factors to consider when selecting and developing PIDs include:

4. Developing and maintaining a system that provides safe, reliable transportation and mobility for people, goods, and services in the State.
5. Availability of right-of-way.
6. Political or strategic reasons.

The challenges to managing STIP PIDs includes, but is not limited to, insufficient coordination, lack of an annual STIP PID assessment and that regions have the majority of STIP funding (75 percent). This can lead to an unreliable inventory of STIP PIDs. Caltrans' districts and regional agencies should coordinate quarterly, or as necessary, to review and update the STIP PID workplan.

The funding levels for FY 2010/11, recommended by the LAO, allows Caltrans to meet the minimal and basic needs of PID development to address the safety and mandated needs of the State Highway System (SHS). Given the funding constraints associated with PIDs, project sponsors may want to consider developing more feasibility studies as a way to achieve certain objectives, such as preserving right-of-way or supporting a fee collection program. Feasibility studies are considered a bridge between planning and PIDs and can be used to conduct certain pre-programming activities until funding becomes available to develop PIDs. These studies can be used to define or refine the project purpose and need, analyze project alternatives; document "ballpark" cost estimates, and build political and/or local and regional support.

Recommendations:

KR 3. The number of PIDs should not be limited to near-term STIP or SHOPP programming capacity, rather, a reasonable level of reserve, in order to be ready for funding opportunities and to build a long-term programming strategy, and be responsive to developer or local-fee program proposals. Criteria for selecting new projects and developing PID workload includes:

   a) Correlate PIDs developed to likely funding sources.

   b) Identify projects that mitigate deficiencies in the transportation system (including Safety and Mandates).

   c) Verify that the projects are included in a long-range plan.

4. Caltrans should review the SHOPP PID inventory annually as part of the update of the 10-Year SHOPP.
5. Caltrans districts and regional agencies work together to prepare a variety of STIP candidate projects to be ready for programming opportunities.

PID Program Improvements

Education and Outreach on Existing PID Processes and Procedures

Caltrans will dedicate more effort engaging PID stakeholders (e.g., regional and local agencies, consulting firms, Caltrans staff, etc.) and clarify the guidance language for PIDs in the PDPM, including existing processes and procedures.

The development of the PID Strategic Plan has shown, in many respects, that existing processes and procedures related to PIDs are being underutilized by some Caltrans districts. One example of a process being underutilized is the Project Study Report-Project Development Support (PSR-PDS). As previously stated, the PSR-PDS is a type of streamlined PID for STIP candidate projects and is only used to program the support costs needed to achieve the environmental document and project approval. The PSR-PDS does not require the same level of detail as a PSR. Some Caltrans districts embrace this streamlined PID document and use it (almost exclusively) to develop PIDs because it is more efficient and cheaper to produce than a PSR used to program phases beyond Project Approval and the Environmental Document (PA/ED). Conversely, other districts strongly feel that detailed preliminary studies are necessary and choose to (mostly) develop these PSRs. Many argue the need to have a streamlined PID that provides enough detail to move potential projects forward into the environmental phase without spending resources to prepare a PSR that also programs right-of-way and construction phases. The PSR-PDS was developed for this very purpose – to provide only the effort necessary to develop a workplan for the project approval and environmental document phase. The PSR-PDS also enables Caltrans and project sponsors to develop *ballpark* estimates of construction costs for the purposes of forecasting long-range funding needs.

The PSR-PDS also helps shift baseline costs for Project, Specifications, and Estimates, right-of-way, and construction phases from the PID document to the Project Report. The level of preliminary studies and effort for developing a PSR-PDS should be limited to that effort needed to develop the workplan for the project approval and environmental document phase, and to develop a *ballpark* estimate of the construction cost. The construction estimate in a PSR-PDS is not a programming commitment; rather it is used to forecast long-range funding needs. As a general rule, project sponsors should be able to refine cost estimates as projects progress and more information becomes available. Project sponsors will revisit their cost estimates and establish better baseline costs for programming once the Project Report is approved. Along with other factors (e.g., risk management, PID charter, etc.), this will enable project sponsors to defer the preliminary studies needed to program the right-of-way and construction phases. Another example of an existing process in the PDPM that can be used to streamline the development of projects is building

stageable alternatives into the PID. The PDPM suggests that districts and project sponsors have a higher probability of getting a project programmed and meeting at least some of the project needs if the PID includes stageable alternatives. Moreover, the PDPM states that large projects should be packaged into a series of reasonably sized projects that can be developed individually.

Recommendations:

KR 6. Enhance PID outreach activities for existing guidance and procedures that can be used to streamline the PID development process and reduce costs and delays.

7. Hold a statewide PID Training Conference and web-based training program. The training will be available for all PID stakeholders. The conference will be designed to educate all PID stakeholders on existing PID policies and procedures and developing more effective PIDs, including the expanded use of the PSR-PDS.

Risk Management Process

Overview

Risk management is a tool to help identify issues that effect cost, schedule, and scope of work for a project. It also helps PIDs be more efficiently and effectively developed as it helps balance technical and stakeholder issues driven by programming cycles and information needs with cost and schedule concerns. Risks can be defined as uncertain events or conditions that, if they occur, have a positive or a negative effect on a project objective. Any analysis of risks should consider purpose and need, sponsor goals, project context, potential fatal flaws, and ramifications if the risks materialize. These factors influence the PID scope of work.

Challenge for Caltrans and Project Sponsors

Project stakeholders and implementing agencies must balance the benefits, costs, and delays associated with applying risk management to the PID development process. Although a streamlined PID document may result in cost and schedule efficiencies within the PID development process, the lack of detail in PID documents may lead to less accurate project budgets, proposed project schedules, and potentially more project change requests, which may lead to a greater chance of cost overruns and project delays.

How to Implement

Caltrans and project sponsors need to document the purpose and need consensus via a project charter (or alternative method). The purpose and need is the vision statement for the PID scope of work. The project charter (or alternative method) documents the agreement between the district director and the project sponsor regarding the purpose and need, funding strategy through construction, potential

fatal flaws, any applicable cost-sharing terms, and other project related documents. The documented purpose and need will provide the project manager and the project team with boundaries for negotiating the scope of PID development work with the project sponsor and the programming and implementing agencies.

Documenting the purpose and need in the project charter is a valuable tool that guides the project manager and team through the PID development process by defining the project sponsor's expectations and key elements of the project. The project charter should include, at a minimum, the purpose and need, funding strategy through construction, project deliverables, potential fatal flaws, applicable cost-sharing terms, known constraints, assumptions, and risks.

Once a project has an approved charter, the next phase of the PID is the development of the PID scope of work. There are many aspects of the project charter that will influence the development of the PID scope of work. Risk management is one area in particular. The charter should list obvious risk issues. Any identified risks in the charter would be incorporated into the Risk Management Plan which contains a more thorough analysis of risks and plans for mitigating those risks.

Depending on the purpose and need, risks that are identified, how the project sponsor chooses to address the identified risks, and other relevant factors (e.g., project deliverables, potential fatal flaws, known constraints, assumptions, etc.), the PID scope of work may call for more or less detailed studies. However, there needs to be enough detail to allow the project sponsor, project manager, and the project team to determine the appropriate level of detail and analysis that need to be incorporated into the PID, such that the ramifications of risk occurring are understood and acceptable to the project sponsor and Caltrans.

Each project sponsor and team will have different approaches to managing risks. Whether the approach is aggressive or conservative, project sponsors should consider risk management when working with project managers and projects teams to develop PID scopes of work. If a sponsor concurs with the results of the risk analysis, they must accept and deal with the risks that may follow in later phases of the project.

Recommendations:

KR 8. If project sponsors concur with the risk analysis, they must accept ownership and the ramifications for the risks associated with their projects. All identified risks and risk owners should be documented in the project's risk register.

KR 9. Project sponsors must document the purpose and need, funding strategy, project deliverables, potential fatal flaws PIDs scope of work, any applicable cost-sharing terms, known constraints, assumptions, and risks

in the project charter in concurrence between Caltrans and the project sponsor at the pre-PID meeting. This provides the necessary framework for developing a clear and concise PID scope of work.

Conflict Resolution

At times, an implementing agency and Caltrans may have conflicting interests in determining the amount and type of work needed during the PID phase. These conflicts may arise at the pre-PID meeting or during the development of the PID. Caltrans does not have a conflict resolution process in the PDPM, but there are processes for specific issues like cooperative agreements and relinquishments that can serve as models. The conflict resolution process would begin with the PID Development Team (PDT) disagreeing on which work items are necessary to study the purpose and need. The implementing agency's project manager and Caltrans' project manager would present the issues to an Executive Review Committee (Committee) which would consist of the Caltrans' headquarters (HQ) Design Coordinator, the HQ Project Management Liaison, the District's Deputy director responsible for PIDs, and a local agency representative. This Committee would make a recommendation to the district director, who would decide on the scope of work. The district director has final authority for the decision.

Recommendation:

KR 10. Convene an Executive Review Committee (Committee) in the event that conflict over the necessary content of the PID arises. The members of the Committee shall include the Caltrans' headquarters (HQ) Design Coordinator, the HQ Project Management Liaison, the District's Deputy director responsible for PIDs, and a local agency representative. The Committee will make a final recommendation to the district director.

11. Develop a conflict resolution process and update the PDPM and policy documents to include conflict resolution.

Pre-PID and Pre-PEAR Meetings and Agreements

The *Project Delivery Procedures Manual* (PDPM) encourages pre-PID meetings to get all stakeholders together gain early consensus on the approach to preparing the PID. Input from all parties is required at the earliest possible date and continues throughout the process. The project manager is responsible for taking the lead in coordinating the activities.

The purpose of the pre-PID meeting is to communicate a shared view of the project and to establish an understanding of the procedures, and roles and responsibilities (Caltrans' Deputy Directive 23) before the project initiation process begins. The pre-PID meeting should assess where data is missing and propose how to acquire them. It should document the roles and responsibilities and provide a general understanding of the work needed, and the proposed timeframe. The pre-PID

meeting sets a tone of collaboration and communication. After the meeting, the project manager or Project Development Team (PDT) should clearly document any agreement or consensus reached during the meeting. A cooperative agreement should be prepared immediately (after the meeting and before work begins) and document any cost-sharing or reimbursement terms. The cooperative agreement should include the expectations of all stakeholders, including any terms for cost-sharing reimbursement.

Pre-PID meetings could also be used to document streamlining opportunities and appropriate funding strategies necessary to develop the PID scope of work and to move each particular project forward while meeting the needs of project sponsors and implementing and programming agencies looking to streamline the PID documents. All risks associated with streamlining must be documented in the risk register. Identifying streamlining opportunities in the pre-PID meetings will mostly apply to PSRs, since the PSR-PDS document is already considered a formal streamlined document.

For projects requiring a Preliminary Environmental Analysis Report (PEAR), the pre-PID meeting should identify project alternatives to be considered. Caltrans' Environmental Division prepares PEARs for inclusion in the PID which covers all alternatives or alternatives with maximum environmental impact. This report identifies potential impacts and issues to study further and provides an idea on the type of environmental document to be prepared and the permits that are appropriate. Other divisions within Caltrans also provide deliverables, information, and/or data.

Recommendations:

12. Hold pre-PID meeting with stakeholders. For project sponsor(s) and implementing and programming agencies looking to streamline the PID document, the pre-PID meeting should focus on documenting streamlining opportunities and any appropriate funding strategies necessary to develop the PID scope of work and to move the project forward. The Project Development Team (PDT) should assess the quality of existing data, any potential fatal flaws, any applicable cost-sharing terms, document the project's purpose and need, discuss the scope of the PID, and determine roles and responsibilities. All of this information should be documented in the project charter. Checklists for risk management and other technical issues (e.g., geotechnical, stormwater, etc.) should be used to help assess the need to report or investigate potentially significant and likely risks and prescribe specific studies for the PID. All discussions should be documented and used as a basis for any future agreements.
13. When appropriate, hold a pre-PEAR meeting to review the PEAR checklist, focus environmental work, improve communications, define expectations, and estimate environmental work schedules.

Cost-sharing and Reimbursement

Background

According to the Legislative Analyst Office's (LAO) November 2009 report titled "The 2010/2011 Budget: California Fiscal Outlook," the State of California has a $6.3 billion projected General Fund deficit for FY 2009/2010 and a $14.4 billion gap between projected revenues and spending for FY 2010/2011. This equals a total projected deficit of $20.7 billion for the two fiscal years. The report made clear that there is no one-year fix for the budget deficit and recommended that a multiyear approach will be necessary to close the gap between revenues and spending.

Given the economic outlook for FY 2009/2010 and 2010/2011, and the foreseeable future, the LAO, the Legislature, and the Administration have recommended that Caltrans explore the potential for sharing costs in developing PIDs. The transportation community continues to debate the need for a policy that requires regional and local agencies, who have their own budget challenges, to reimburse Caltrans, partly or wholly, for the majority of PIDs for state highway projects.

Given the size and scope of Caltrans' PID Program, cost-sharing and reimbursement needs to be a gradual and methodical process. In the near-term, Caltrans proposes the following approach: 1) continue funding the development of PIDs, particularly those already partially completed and 2) implementing a cost-sharing and reimbursement pilot program that can be used as a model for fully incorporating a formal policy into the PID program. This approach gives Caltrans the ability to evaluate the effectiveness of cost-sharing and reimbursement and make any necessary adjustments without disrupting the whole PID program. Furthermore, a pilot program allows Caltrans to develop a well thought out and established model for reimbursement that can gradually be implemented into the statewide PID program.

An important point to note is that the regional agencies representing non-self help counties may be under-resourced to fund PID development. Under the existing funding system, rural regions have few funding mechanisms to fund PIDs. These agencies could use their Planning, Programming, and Monitoring (PPM) Fund to fund PID activities. According to the 2008 Fund Estimate, up to 5 percent of a county's share of STIP funds may be used for PPM. Many rural agencies use PPM to pay for salaries and fund activities such as development of Regional Transportation Plans (RTP) and planning studies. Since the STIP county shares are calculated based on population and lane road miles, PPM funding levels for rural counties are much lower compared to larger and more urbanized counties. Regional agencies are already using very limited resources to fund existing planning activities and other regional commitments. Requiring that these agencies fund PIDs may limit

their ability to adequately fund their planning activities. In addition to the lack of resources to fund PIDs, most regions lack staff expertise to prepare PIDs internally, especially if preliminary engineering work is included.

Even though PID cost-sharing and reimbursement will in affect shift costs from Caltrans to the project sponsors and thus will be an added expense for regional and local agencies, these entities will still benefit from investing on the SHS. Through these investments, everyone experiences the benefits of increased mobility and reduced congestion. The regional and local agencies also experience benefits such as increased economic development; increased access to a higher standard system for moving people and goods; improved air quality due to less congestion; and decreased expenses associated with wear and tear and the need to add capacity on their respective local systems.

Implementing Cost-sharing and Reimbursement for STIP PIDs

For STIP PIDs that are developed by Caltrans districts on behalf of project sponsors, Caltrans' Division of Transportation Planning will develop guidelines for a PID reimbursement pilot program, to be implemented by the districts. Under this program, project sponsors will reimburse Caltrans districts for streamlined PIDs. PIDs not identified in their respective, financially constrained, district PID workplans or not identified as a priority in their respective regional funding strategies, these agencies will be required to reimburse Caltrans for any work associated with the development of these PIDs. The Project Study Report-Project Development Support (PSR-PDS) will represent the streamlined PID. According to the PDPM, the PSR-PDS does not require the same level of engineering detail as the standard PSR document. The level of engineering detail and effort for developing a PSR-PDS should be limited to that effort needed to develop the workplan for the project approval and environmental document phase, and to develop a *ballpark* estimate of the construction cost. The construction estimate in a PSR-PDS is not a programming commitment; rather it is used to forecast long-range funding needs. When a PSR-PDS is used to initiate a project, the project report, not the PID, will be used to program the remaining support, right of way, and construction costs. The project sponsor and Caltrans' district staff may negotiate cost-sharing terms for any additional work that may be agreed to at the pre-PID meeting (or may become necessary later).

Caltrans Continues to Carry the Responsibility of Funding and Preparing PIDs

An alternative to implementing a reimbursement policy is Caltrans continuing the current practice of funding and preparing PIDs. The existing PID funding process gives Caltrans the flexibility to take advantage of unanticipated funding opportu-

nities and specific funding mechanisms by 1) working in partnership with regional and local agencies to develop PIDs that are consistent with State and regional priorities and 2) developing PIDs for projects that may be important to the State, but not necessarily a priority for the regions

An important point to note is that under the existing PID funding system the regional and local agencies already have the option and flexibility to participate in cost-sharing using their local funds to develop PIDs while Caltrans oversees the process and approves the final PID documents. In fact, many regional agencies representing self help counties fund the development of PIDs by preparing their own PIDs. This is typically the case when Caltrans does not have the resources to develop a PID or the project sponsors want to expedite the development of a PID.

The regional and local agencies generally agree that the existing funding system for PIDs has worked well, and a sudden shift of PID costs to regional agencies will present budget challenges, potentially eliminating the funding for STIP PID development. The preference is that Caltrans continue to fund and prepare most PIDs for the state highway projects. Caltrans has historically been able to marshal experienced staff for PID work, and has been able to manage PID work among other engineering activities. The regions also agree that Caltrans, as owner and operator of the SHS, carries liability for state highways and thus should be able to control non-negotiable items that may come up in PIDs.

Implementing Reimbursement for Other Caltrans PID Activities

It is Caltrans' responsibility to protect the public's investment in the SHS; therefore a PID is required for any major project that is on the SHS regardless of the funding. As such, when entities other than Caltrans staff prepare PIDs, Caltrans policy and procedures must be followed. Caltrans staff shall perform Independent Quality Assurance (IQA) and shall retain approval authority over those PIDs that are prepared by other entities.

One option for cost-sharing is for project sponsors to reimburse Caltrans districts for some or all of the costs associated with IQA. As outlined in the PDPM, districts and project sponsors should have early and continual discussions to establish the viability of project proposals, procedural requirements, and the schedule for various project deliverables. All agreements between Caltrans districts and the project sponsors should clearly identify cost-sharing terms, procedures, and terms and definitions of standard oversight activities such as IQA. Caltrans Deputy Directives 23 (Roles and Responsibilities for Development of Projects on the State Highway System) and Directive 90 (Funding of Quality Management Work on State Highway Projects) must be the basis of any agreement related to PIDs.

While Caltrans supports cost-sharing and reimbursement for PID oversight activities, the regions have voiced strong opposition to this recommendation. The regions continue to advocate that the cost of PID oversight and review be the responsibility of Caltrans, so that the scope, cost, and management of PID oversight and review does not become subject to negotiation. The regions have expressed that Caltrans pursue a more balanced and equitable approach to cost-sharing and reimbursement. Various agencies have cited examples of cost-sharing under the current system. These examples demonstrate, especially for self-help counties, that there are regions that are willing to fund the preparation of PIDs while Caltrans uses its resources to fund IQA activities.

Another option for reimbursement is for project sponsors to reimburse Caltrans districts for some or all of the costs associated with various studies such as feasibility studies, major investments studies, and other special studies. Project sponsors may want to consider exploring cost-sharing opportunities and working with Caltrans to develop more of these studies given the funding constraints associated with PIDs. As previously stated, districts and project sponsors should have early and continual discussions to establish the viability of project and study proposals, procedural requirements, and the schedule for various project deliverables. All agreements between Caltrans districts and the project sponsors should clearly identify cost-sharing terms, schedules, and deliverables.

Recommendations:

KR 14. Caltrans intends to develop and implement a PID pilot program whereby regional and local agencies would have the option of reimbursing Caltrans for developing streamlined PID documents. Caltrans will use the existing Project Study Report-Project Development Support (PSR-PDS) document as the basis for the streamlined document until Caltrans and the regions agree on an approach to streamline PID documents for STIP candidate projects. The project sponsor and Caltrans district staff may negotiate cost-sharing terms for any additional work that may be agreed to at the pre-PID meeting (or may become necessary later). When agencies request that Caltrans develop PIDs not identified in their respective, financially constrained, annual district PID workplans or not identified as a priority in their respective regional funding strategies, these agencies will be required to reimburse Caltrans for any work associated with the development of these PIDs.

KR 15. Project sponsors will have the option of reimbursing Caltrans districts for some or all of the costs associated with Independent Quality Assurance (IQA), feasibility studies, major investment studies, and special studies. Districts and project sponsors should have early and continual discussions to establish the viability of the project proposals, procedural requirements, and the schedule for various project deliverables. All agreements between Caltrans districts and the project sponsors should clearly identify cost-sharing terms and procedures.

Improving PID Guidance and Estimating Costs

Project Development Procedures Manual (PDPM)

Caltrans' PDPM provides guidelines for the preparation of PIDs and provides flexibility to allow engineers to use their judgment when developing PIDs. In the current manual, there are a number of PID formats used to program projects into the STIP and SHOPP. The Project Study Report (PSR) and Project Study Report-Project Development Support (PSR-PDS) are the most common documents used to initiate STIP candidate projects. In addition, there are modified templates that have been tailored to meet the information needs of specific State programs or project sponsors.

To achieve the goal of streamlining PID efforts, Chapter 9 (Project Initiation) and Appendix L (Project Study Report) of the PDPM need to be reorganized and clarified to make it "user friendly." The 1999 CTC's PSR guidelines call for PIDs to be "simple, timely, and workable." This policy should form the framework for PDPM PID guidance. At a minimum, a PID must define parameters to move forward into the subsequent phases. The PID must provide enough information about scope, schedule, and cost to help strategize fitting a project into a competing group of projects that are seeking a share of limited resources. The checklists in the PDPM appendix can serve as an excellent guide as to what factors the PDT needs to consider.

Estimating Costs

Another factor in STIP PID streamlining concerns the effort needed to estimate costs. The PDPM calls for cost estimates to be "as accurate as possible" for some PIDs, and an *order of magnitude* estimate for others. There is a difference among *order of magnitude* cost estimates and detailed cost estimates. Planning documents may use *order of magnitude* cost, but that is not sufficient for programming. Detailed cost estimates require calculation of quantities based on detailed scope and become necessary as part of complete final plans for allocating funds and soliciting contractor bids. The CTC guideline states, "in preparing the capital cost estimates, the degree of effort and detail for each study is expected to vary depending on the complexity and sensitivity of the issues." Generally, a contingency factor of 25 percent is acceptable. However, a higher or lower percentage may be used, if justified. It also specifies that "the accuracy of cost estimates is usually less for PSRs which involve project development support (also known as "PSR-PDS") than it is for standard PSRs or PSR equivalents."

In defining the project scope for a PID, the PDT should be able to estimate unit amounts for major components, assess whether and to what degree the particular project site will yield easier, about average, or more difficult construction conditions for those components, and adjust the unit costs within a range for that proj-

ect's conditions. Caltrans' Office Engineer already collects extensive data on unit costs, which it uses to calculate the Construction Cost Index and examine contractor's bids; it could easily repackage this data into ranges of unit costs for use in PID cost estimating.

Recommendation:

KR 16. Caltrans will proceed to use the Project Study Report-Project Development Support (PSR-PDS) to move locally-funded STIP candidate projects into the environmental phase. Amend Chapter 9 (Project Initiation) and Appendix L (Project Study Report) of the *Project Development Procedures Manual* (PDPM) to clarify the appropriate level of detail necessary to develop PIDs. The guidance should also clarify the use of *ballpark* or *order of magnitude* estimates and discuss the need to regularly update cost estimates prior to approval of the project report.

Different Guidelines for SHOPP and STIP PIDs

The *Project Development Procedures Manual* (PDPM) specifies different kinds of PIDs, some for STIP projects, but most of them for SHOPP projects. The guidance for STIP and SHOPP PIDs in Chapter 9 (Project Initiation) of the PDPM are intermingled, and the regions find the guidance to be unclear. The regions are advocating that Caltrans amend the PDPM to provide distinct sections for STIP and SHOPP PIDs.

Recommendation:

17. Evaluate the feasibility of maintaining separate procedures and guidance for STIP and SHOPP projects.

Caltrans PID Oversight

Caltrans is responsible for protecting the public's investment in the SHS and must review all proposed highway improvements that are funded by others. When a local agency or a developer funds a project, it is imperative for the sponsor to have early and continual discussions with Caltrans and the programming agency to establish the viability of the proposal, procedural requirements, and the schedule for various project deliverables. The transportation partners should agree on the purpose and need, the funding strategy for transportation improvements, the timing for the development of their respective PIDs, and the implementation of the program delivery schedules.

The review of PIDs developed by regional or local agencies or private developers should be coordinated by well-trained, Caltrans district staff. The review process of the draft PID begins when submitted by the project sponsor. State statute requires Caltrans to complete its review within 60 days.** If the draft PID is incomplete, only the completed PID sections will be reviewed by Caltrans.

**California State Government Code 65086.5(c)
KR Key Recommendation

Recommendation:

KR 18. Caltrans intends to streamline PID review procedures and provide detailed guidance in the *Project Development Procedures Manual* (PDPM) for PID oversight activities for PIDs funded by others.

19. Ensure that each Caltrans district has well-trained staff to guide the work of PID oversight activities. If the draft PID is incomplete, Caltrans staff will only review the completed PID sections or to return the PID with comments indicating what must be done to make it reviewable. Priority of review will be for complete PIDs.

Performance Measures

Performance measures should be used as a basis for evaluating the effectiveness of the statewide PID program and for assessing the performance of various recommendations identified in the PID Strategic Plan. A PID improvement taskforce (Recommendation #21) will identify any appropriate performance measures and the steps necessary for implementation.

Examples of performance measures are:

- Average hours spent on PID preparation, from pre-PID meeting to completed PID, as a measure of process streamlining by project type.
- Estimated timeline for environmental studies (to PA&ED) in PIDs compared to actual time lines to complete the environmental phase, as a measure of the effectiveness of schedule estimating.
- Percentage of PIDs in each county that become programmed projects within one, three, and five years of PID completion, as a measure of the number of PIDs compared against a county's commitment to implement them; normalized by dollar amount.
- Number of PIDs that become programmed projects within one, three, and five years within each category of projects, as a measure of whether the right mixture of PIDs is being prepared by the STIP and SHOPP.

Recommendations:

20. Caltrans should develop and use performance measures to manage the PID Program and reassess the PID Strategic Plan on a continuous basis.

Unresolved Items

During the development of the PID Strategic Plan, there were several items that could not be resolved. Some represented ideas where a consensus could not be reached while other items represented ideas that were introduced late in the process and could not be evaluated.

The following list represents these ideas:

- Continue to seek ways to streamline PIDs. Caltrans should work with regional agencies to develop guidance and a template for a streamlined Project Study Report (PSR) for STIP candidate projects.

- Use the value analysis study approach for pre-PID meetings. Deputy level staff should attend the pre-PID meeting to ensure sufficient experience and decision-making capability. Fatal flaws should be identified early to avoid extensive work on alternatives that are not viable.
- Incorporate a risk management discussion into Chapter 9 (Project Initiation) of the *Project Development Procedures Manual* (PDPM).
- Provide a greater voice in the conflict resolution process for agencies funding the development of PIDs. The regions are concerned that conflict resolution process might delay the development of their PIDs.
- Streamline the development and approval of the Project Charter.
- Alternatives identified in PIDs should contain cost/benefit analyses.
- Examine other ways for regions to fund PIDs. Regions representing non-self help counties may be under-resourced to fund the development of reimbursed PIDs. The Planning, Programming, and Monitoring funds funded through the STIP are not sufficient for these agencies to fund the development of PIDs. Legislation would be needed for STIP funds to be used to fund PIDs.
- Approach the California Transportation Commission (CTC) and obtain guidance on developing streamlined Project Study Reports.

A PID Improvement Taskforce (Taskforce) will be formed to evaluate and, if appropriate, implement the aforementioned ideas and continuously evaluate the effectiveness of the PID Program and the formal recommendations in the PID Strategic Plan. The Taskforce will also recommend further improvements for cost-sharing, reducing costs and delays, and streamlining procedures associated with the development and oversight of PIDs.

Recommendation:

21. Caltrans will form a PID Improvement Taskforce (Taskforce), including internal and external stakeholders, to continuously evaluate the effectiveness of the PID Program and the PID Strategic Plan. The Taskforce will also recommend further improvements related to cost-sharing, reducing costs and delays, and streamlining procedures associated with the development and oversight of PIDs. The Taskforce will meet quarterly, or as needed, and report its findings in annual December 1 updates of the PID Strategic Plan.

Implementation of the Recommendations

Next Steps: Implementation of the Recommendations

The Division of Transportation Planning will coordinate with the PID Improvement Taskforce and the appropriate Caltrans headquarters and district functions to fully implement the recommendations. Some of the key recommendations will be fairly straightforward and will be implemented in the next three to six months, while more complex recommendations will require a significant level of effort and coordination. Table 1 contains general information related to the implementation of the key recommendations and Appendix "F" contains additional detail on the implementation of all of the recommendations outlined in the Strategic Plan.

Table 1 Implementation of the Key Recommendations

Key Recommendations	Planned Implementation
KR **RECOMMENDATION #1:** **PID Program Management: Shelf Management** Three-Year Strategic Plan should be updated annually, December 1, by Caltrans district staff in coordination with the California Transportation Commission (CTC), Caltrans' Office of Projects and Plans Coordination, and the regional agencies. (See page 17)	Completed March 1, 2010 Next Scheduled Update December 1, 2010
KR **RECOMMENDATION #2:** **PID Program Management: Shelf Management** Use established removal criteria to maintain a healthy shelf inventory. Criteria for assessing and determining the viability of the PID Shelf includes: • On the shelf for 5 years or more. • Validity of original purpose and need. • Strategy and prospects for funding the project. • If unfundable, whether the project is a regional priority. (See page 17)	Next Scheduled Update December 1, 2010
KR **RECOMMENDATION #3:** **PID Program Management: Workload Management** The number of PIDs should not be limited to near-term STIP or SHOPP programming capacity, in order to be ready for funding opportunities and to build a long-term programming strategy, and be responsive to developer or local-fee program proposals. Criteria for selecting new projects and developing PID workload includes a) Correlate PIDs developed to likely funding sources. b) Identify projects that mitigate deficiencies in the transportation system (including safety and mandates). c) Verify that projects are included in a long-range plan. (See page 19)	Next Scheduled Update December 1, 2010

Table 1 **Implementation of the Key Recommendations**

Key Recommendations	Planned Implementation
KR **RECOMMENDATION #6:** **PID Program Improvements: Education and Outreach on Existing PID Processes and Procedures** For internal and external stakeholders, enhance PID outreach activities for existing guidance and procedures that can be used to streamline the PID development process and reduce costs and delays. (See page 21)	September 2010
KR **RECOMMENDATION #8:** **PID Program Improvements: Risk Management Process** If project sponsors concur with the risk analysis, they must accept ownership and the ramifications for the risks associated with their projects. All identified risks and risk owners should be documented in the project's risk register. (See page 22)	December 2010
KR **RECOMMENDATION #9:** **PID Program Improvements: Risk Management Process** Project sponsors must document the purpose and need, funding strategy, project deliverables, known constraints, potential fatal flaws, applicable cost-sharing terms, PID scope of work, assumptions, and risks in the project charter with concurrence of Caltrans, the project sponsor, the implementing agency, and the programming agency. This provides the necessary framework for developing a clear and concise PID scope of work. (See page 22)	October 2010
KR **RECOMMENDATION #10:** **PID Program Improvements: Conflict Resolution** Caltrans' district director will convene an Executive Review Committee (Committee) in the event that conflict over the necessary content of the PID arises. The members of the Committee shall include Caltrans' headquarters (HQ) Design Coordinator, the HQ Project Management Liaison, the district's deputy director responsible for PIDs, and a local agency representative. The Committee will make a final recommendation to the district director. (See page 23)	August 2010
KR **RECOMMENDATION #14:** **PID Program Improvements: Conflict Resolution** Develop and implement a PID pilot program whereby regional and local agencies would have the option of reimbursing Caltrans for developing streamlined PID documents. Caltrans will use the existing Project Study Report-Project Development Support (PSR-PDS) document as the basis for the streamlined document until Caltrans and the regions agree on an approach to streamline PID documents for STIP candidate projects. The project sponsor and Caltrans district staff may negotiate cost-sharing terms for any additional work that may be agreed to at the pre-PID meeting (or may become necessary later). When agencies request that Caltrans develop PIDs not identified in their respective, financially constrained, annual district PID workplans or not identified as a priority in their respective regional funding strategies, these agencies will be required to reimburse Caltrans for any work associated with the development of these PIDs. (See page 28)	September 2010

Table 1 **Implementation of the Key Recommendations (continued)**

Key Recommendations	Planned Implementation
KR **RECOMMENDATION #15:** **PID Program Improvements: Cost-sharing and Reimbursement** Project sponsors have the option for reimbursing Caltrans districts for some or all of the costs associated with Independent Quality Assurance (IQA), feasibility studies, and special studies. Districts and project sponsors should have early and continual discussions to establish the viability of the project proposals, procedural requirements, and the schedule for various project deliverables. All agreements between Caltrans districts and the project sponsors should clearly identify cost-sharing terms and procedures. (See page 28)	September 2010
KR **RECOMMENDATION #16:** **PID Program Improvements: Improving PID Guidance and Estimating Costs** Caltrans will proceed to use the Project Study Report-Project Development Support (PSR-PDS) to move locally-funded STIP candidate projects into the environmental phase. Amend Chapter 9 (Project Initiation) and Appendix L (Project Study Report) of the *Project Development Procedures Manual* (PDPM) to clarify the appropriate level of detail necessary to develop PIDs. The guidance should also clarify the use of *ball-park* or *order of magnitude* estimates and discuss the need to regularly update cost estimates prior to approval of the project report. (See page 30)	September 2010
KR **RECOMMENDATION #18:** **PID Program Improvements: Caltrans PID Oversight** Caltrans intends to streamline PID review procedures and provide detailed guidance in the *Project Development Procedures Manual* (PDPM) for PID oversight activities for PIDs funded by others. (See page 31)	March 2010
KR **RECOMMENDATION #21:** **PID Program Improvements: Performance Measures/PID Improvement Taskforce** Caltrans will Form a PID Improvement Taskforce (Taskforce), including internal and external stakeholders, to continuously evaluate the effectiveness of the PID Program and the PID Strategic Plan. The Taskforce will also recommend further improvements related to cost-sharing, reducing costs and delays, and streamlining procedures associated with the development and oversight of PIDs. The Taskforce will meet quarterly, or as needed, and report its findings in annual December 1 updates of the PID Strategic Plan. (See page 32)	April 2010

Addressing the LAO Recommendations

The LAO made several recommendations in its February 3, 2009, transportation report that apply to the Strategic Plan. Over the last several months, Caltrans has taken the following steps to address their recommendations:

Base Staffing on Workload Beginning in 2010/11

For FY 2010/2011, Caltrans will begin using baseline funding levels to fund high priority projects and vital PID program technical engineering support activities using selection criteria. This effort addresses the recommendation from the LAO that calls for Caltrans to align staffing for PID activities with workload beginning FY 2010/2011. Examples of these activities include scoping documents for responding to emergencies; addressing collision reductions; complying with mandates; preserving over 12,559 of state highway bridges and 49,677 lane miles of state highways and 205,000 drainage culverts); conducting oversight activities on PIDs developed by regional and local agencies; and carrying out PID program technical engineering support activities.

No Criteria for Selecting SHOPP PIDs

The LAO concluded that Caltrans had no established criteria for selecting SHOPP projects for which PIDs would be developed. Recommendations #3 and #4 address this recommendation and states that Caltrans will review its SHOPP PID inventory as part of the update of the 10-Year SHOPP. This process will help Caltrans tie the preparation of SHOPP PIDs with high statewide priorities.

Significant Gaps in Determining and Managing PID Work

In its report, the LAO stated that Caltrans should have 1) criteria for determining the SHOPP projects for which PIDs should be prepared and 2) information about the viability of the projects on the PID shelf. The following PID Strategic Plan recommendations address these areas:

Recommendation #1: Develop a three-year PID Strategic Plan to be updated annually, by December 1 of every year, by Caltrans in coordination with the California Transportation Commission (CTC), Caltrans' Office of Projects and Plans Coordination, and the regional agencies.

Recommendation #2: C Caltrans and regional agencies will collaborate using defined criteria to maintain a healthy shelf inventory. They will carefully review the existing shelf to determine which projects should remain; looking at :

- PIDs on the shelf for 5 years or more.

- Validity of original purpose and need.
- Strategy and prospects for funding the project.
- If unfundable, whether the project is a regional priority.

Recommendation #3: The number of PIDs should not be limited to near-term STIP or SHOPP programming capacity, in order to be ready for funding opportunities and to build a long-term programming strategy, and be responsive to developer or local-fee program proposals. Criteria for selecting new projects and developing PID workload includes:

a) Correlate PIDs developed to likely funding sources.

b) Projects address deficiencies identified on the transportation system (including Safety and Mandates.

c) Included in a long-range plan.

Recommendation #4: Review the SHOPP PID inventory annually as part of the update of the 10-Year SHOPP.

Recommendation #5: Caltrans districts and regional agencies work together to prepare a variety of STIP candidate projects to be ready for programming opportunities.

Addressing the Requirements in the February 20, 2009 Budget Act

The February 20, 2009, Budget Act required that Caltrans, no later than October 1, 2009, "…convene a working group in partnership with local agencies to identify options to share costs, lower costs, streamline procedures, and reduce delays associated with project development documents." In August 2009, Caltrans formed the PID Streamlining Taskforce to investigate these issues in response to the budget language. Over the course of six weeks, five subgroups deliberated various topics related to the PID such as PID scopes of work, cost-sharing, and risk management, and environmental issues.

After undergoing this process, all of the PID stakeholders recognized that additional discussions and analyses will be required for some of the more complex topics such as PID scopes of work and cost-sharing. Over the course of six weeks, the subgroups discussing these topics could not reach a consensus on how to move forward. This might be explained by the fact that PID program requires the involvement and cooperation of Caltrans HQ staff, 12 Caltrans district offices, several regional and local agencies, and numerous private consulting firms. Furthermore, the PID documents represent planning for the development of several billions of dollars in capital improvement projects. Any changes to the program could adversely impact these projects and how they are programmed, timed, and redelivered.

Caltrans supports improving the PID Program. However, as owner and operator of the SHS, Caltrans firmly believes that any changes to the PID Program must be thoroughly vetted and carefully evaluated prior to implementation to ensure that its future liability is not negatively impacted and the changes do, in fact, improve the effectiveness of the program.

Caltrans is recommending the following measures to ensure that the goals in the 2009 Budget Bill language are met: 1) establish a pilot program that implements complex issues such as cost-sharing and use performance measures to monitor the effectiveness of the program over time, 2) educate Caltrans' district staff, regional and local agencies, and the private sector on existing underutilized guidance and procedures that can lower costs and reduce delays associated with the PID development, and 3) form a PID Improvement Taskforce that will continuously evaluate the effectiveness of the recommendations in the Strategic Plan and recommend further improvements related to sharing costs, lowering costs, streamlining procedures, and reducing delays associated with PIDs. The PID Improvement Taskforce will report its findings in annual updates of the PID Strategic Plan.

Table 2 illustrates the recommendations that are intended to meet the goals in the 2009 Budget Bill language. Please keep in mind that Caltrans could not conduct any formal analysis on the cost savings and reduction in delays of these recommendations. Analysis of potential cost and time savings could not be performed because 1) there are no established performance measures or existing data that will enable Caltrans to adequately analyze the effectiveness of the recommendations and 2) the effectiveness of the recommendations have to be measured over time using performance measures. Caltrans will begin using performance measures to evaluate the effectiveness of its PID program beginning July 2010 and report its findings in the annual updates of the PID Strategic Plan.

Table 2 Recommendations that Address the Requirements in the February 20, 2009 Budget Act

Recommendations	Streamline	Reducing Delays	Reducing Cost	Sharing Costs
6. (KR) For internal and external stakeholders, enhance PID outreach activities for existing guidance and procedures that can be used to streamline the PID development process and reduce costs and delays.	X	X	X	
7. Hold a series of statewide PID training conferences and develop a web-based training program. The training will be available for all PID stakeholders. The conferences will be designed to educate all PID stakeholders on existing PID policies and procedures and developing more effective PIDs.	X	X	X	
8. (KR) If the project sponsors concur with the risk analysis, project sponsors must accept ownership and the ramifications for the risks associated with their projects. All identified risks and risk owners should be documented in the project's risk register.	X	X	X	
9. (KR) Project sponsors must document the purpose and need, funding strategy, potential fatal flaws, applicable cost-sharing terms, PID scope of work, project deliverables, known constraints, assumptions, and risks in the PID charter in concurrence with Caltrans and the project sponsor at the pre-PID. This provides the necessary framework for developing a clear and concise PID scope of work.				
10. (KR) A Caltrans district director will convene an Executive Review Committee (Committee) if conflict over the necessary content of the PID arises. The members of the Committee shall include Caltrans' headquarters (HQ) Capital Design Coordinator, the HQ Project Management Liaison, the district's deputy director responsible for PIDs, and a local agency representative. The Committee will make a final recommendation to the district director.	X	X	X	
11. Develop a conflict resolution process and update the PDPM and policy documents to include conflict resolution.	X	X		
12. Hold pre-PID meeting with stakeholders. The Project Development Team (PDT) should assess the quality of existing data, document the project's purpose and need, discuss the scope of the PID, and determine roles and responsibilities. All of this information should be documented in the project charter. Checklists for risk management and other technical issues (e.g., geotechnical, stormwater, etc.) should be used to help assess the need to report or investigate potentially significant and likely risks and prescribe specific studies for the PID. All discussions should be documented and used as a basis for any future agreements.	X	X		

Table 2 Recommendations that Address the Requirements in the February 20, 2009 Budget Act (continued)

Recommendations	Streamline	Reducing Delays	Reducing Cost	Sharing Costs
13. When appropriate, hold a pre-PEAR meeting to review the PEAR checklist, focus environmental work, improve communications, define expectations, and estimate environmental work schedules.	X	X	X	
14. KR Caltrans will develop and implement a PID pilot program whereby regional and local agencies would have the option of reimbursing Caltrans for developing streamlined PID documents. Caltrans will use the existing Project Study Report-Project Development Support (PSR-PDS) document as the basis for the streamlined document until Caltrans and the regions agree on an approach to streamline PID documents for STIP candidate projects. The project sponsor and Caltrans district staff may negotiate cost-sharing terms for any additional work that may be agreed to at the pre-PID meeting (or may become necessary later). When agencies request that Caltrans develop PIDs not identified in their respective, financially constrained annual district PID workplans or not identified as a priority in their respective regional funding strategies, these agencies will be required to reimburse Caltrans for any work associated with the development of these PIDs.	X	X	X	
15. KR Project sponsors will have the option of reimbursing Caltrans districts for some or all of the costs associated with Independent Quality Assurance (IQA). As outlined in the PDPM, districts and project sponsors should have early and continual discussions to establish the viability of the project proposals, procedural requirements, and the schedule for various project deliverables. All agreements between Caltrans districts and the project sponsors should clearly identify terms and definitions of standard oversight activities such as IQA, feasibility studies, major investment studies, and special studies.				
16. KR Calitrans will proceed to use the Project Study Report-Project Development Support (PSR-PDS) to move locally-funded STIP candidate projects into the environmental phase. Amend Chapter 9 (Project Initiation) and Appendix L (Project Study Report) of the *Project Development Procedures Manual* (PDPM) to clarify the appropriate level of detail necessary to develop PIDs. The guidance should also clarify the use of *ballpark* and *order of magnitude* estimates and discuss the need to regularly update cost estimates prior to approval of the project report.				X
17. Evaluate the feasibility of maintaining separate procedures and guidance for STIP and SHOPP projects.	X	X	X	
18. KR Caltrans intends to streamline PID review procedures and provide detailed guidance in the *Project Development Procedures Manual* (PDPM) for PID oversight activities for PIDs funded by others.	X			

Table 2 Recommendations that Address the Requirements in the February 20, 2009 Budget Act (continued)

Recommendations	Streamline	Reducing Delays	Reducing Cost	Sharing Costs
19. Ensure that each Caltrans district has well-trained staff to guide the work of PID oversight activities. If the draft PID is incomplete, Caltrans staff will only review the completed PID sections, or to return the PID with comments indicating what must be done to make it reviewable. Priority of review will be for complete PIDs.	X	X		
20. Caltrans should develop and use performance measures to manage the PID program and reassess the PID Strategic Plan on a continuous basis.	X	X		
21. KR Caltrans will form a PID Improvement Taskforce (Taskforce), including internal and external stakeholders, to continuously evaluate the effectiveness of the PID Program and the PID Strategic Plan. The Taskforce will also recommend further improvements related to cost-sharing, reducing costs and delays, and streamlining procedures associated with the development and oversight of PIDs. The Taskforce will meet quarterly, or as needed, and report its findings in annual December 1 updates of the PID Strategic Plan.			X	

Conclusion

Caltrans' response to the LAO's concerns was immediate. A workgroup, comprised of internal and external stakeholders, was assembled to develop the framework for the PID Strategic Plan. In this process, Caltrans' goal is to effectively deploy and manage planning resources.

A strategic approach was undertaken to:

- Maximize funding opportunities.
- Manage the risks and opportunities with dynamic funding.
- Actively and strategically manage the completed PIDs on the shelf.
- Ensure an efficient use of resources in PID development.
- Align resources and staffing needs with current and future PID workload.

The three primary components of the PID Strategic and Streamlining effort are:

1. Establish a transparent process where we identify, document, and manage the PID program.
2. Generate a three-year PID Strategic Plan to be updated annually, or more often, as needed.
3. Target and link all PIDs to potential funding sources.

The Strategic Plan workgroup has identified several improvements for PID preparation: PEAR, scope of work, stormwater, cost-sharing and reimbursement, and risk management. The commitment of our efforts, to identify measures for streamlining the PID development and ensuring efficiencies, is demonstrated by the formation of a PID improvement Taskforce (Taskforce), dedicated to both the continual implementation of recommendations found within this report, and in identifying additional efficiencies in the PID development process.

To preserve and continue the momentum developed, it is essential that we measure the effectiveness of this Strategic Plan and streamlining efforts through the use of annual performance measures. Once data from the PID pilot program can be analyzed, the Taskforce will review the performance measures process at regular intervals. If course corrections are necessary, the Taskforce will identify them and present them to the Caltrans' Office of Projects/Plans Coordination and other PIDs stakeholders at the annual review, by December 1, of each year.

Caltrans is dedicated to ensure the transparency and efficiency of our stewardship of all State resources. This PID Strategic Plan demonstrates our commitment and strategy in achieving these goals.

Project Oversight Committee

Terry Abbott, Caltrans, Chief, Division of Design

Malcolm Dougherty, Caltrans, Deputy Director of Project Delivery

Mike Miles, Caltrans, Deputy Director of Maintenance and Operations

Norma Ortega, Caltrans, Deputy Director of Finance (Chief Financial Officer)

Sharon Scherzinger, Caltrans, Chief, Division of Transportation Planning

Karla Sutliff, Caltrans, Chief, Division of Project Management

Martin Tuttle, Caltrans, Deputy Director of Planning and Modal Programs

Strategic Document Staff

Juven Alvarez, Caltrans HQ

Chad Baker, Caltrans HQ

Curt Davis, Caltrans HQ

Marlon Flournoy, Caltrans HQ

Tammy Roberts, Caltrans HQ

Kang Tang, Caltrans HQ

Brian Tsukamoto, Caltrans HQ

Special Contributors

Pete Hathaway, CALCOG

Brittany Odermann, SBCAG and FY 2009/10 RTPA Group Moderator

Strategic Plan Workgroup

Ken Baxter, Caltrans D10

Beverly Boucher, Caltrans D6

Adriann Cardoso, OCTA

Ryan Chamberlain, Caltrans D12

*Curt Davis, Caltrans HQ

Bill Figge, Caltrans D11

*Rick Guevel, Caltrans HQ

Pete Hathaway, SACOG

Tim Huckabay, Caltrans D2

Aileen Loe, Caltrans D5

Steven McDonald, Caltrans D6

Bill Mosby, Caltrans D8

Jose Nuncio, SANDAG

Brittany Odermann, SBCAG

Ilene Poindexter, Caltrans D1

Jeff Pulverman, Caltrans D3

Scott Sauer, Caltrans HQ

Kurt Scherzinger, Caltrans HQ

Gary Slater, Caltrans, D12

Lee Taubeneck, Caltrans D4

Marlo Tinney, Caltrans D3

Ray Tritt, Caltrans HQ

Irene Tu, Caltrans D10

Cheryl Willis, Caltrans D1

Andrea Zureck, RCTC

Streamlining Subgroup Members

Bruce Abanathie, Kings County

Juven Alvarez, Caltrans HQ

Al Arana, Caltrans HQ

Ken Baxter, Caltrans D10

Joyce Brenner, Caltrans HQ

Ann Calnan, SCVTA

Adriann Cardoso, OCTA

Ryan Chamberlain, Caltrans D12

Patricia Chen, LAMTA

Jason Crow, SACOG

*Curt Davis, Caltrans HQ

Kathy DiGrazia, Caltrans D5

Kelly Dunlap, Caltrans HQ

Claudia Espino, Caltrans D5

Bill Figge, Caltrans D11

Tom Fitzwater, SCVTA

Marlon Flournoy, Caltrans HQ

Paul Genarro, Caltrans D6

Tony Harris, Planning Company Associates, Inc.

Pete Hathaway, CALCOG

*Mary Beth Herritt, Caltrans HQ

Tim Huckabay, Caltrans D2

Kenneth Kao, MTC

Wendy Li, SANBAG

Aileen Loe, Caltrans D5

Eugene Maeda, SCVTA

Tammy Massengale, Caltrans D3

Shirley Medina, RCTC

Ross McKeown, MTC

Jeremy Milos, Caltrans D9

Mark Miller, Caltrans D2

Bill Mosby, Caltrans D8

Brittany Odermann, SBCAG

Pat Pang, Caltrans D4

Ilene Poindexter, Caltrans D1

Marco Sanchez, Caltrans D6

Scott Sauer, Caltrans HQ

Margaret Simmons-Cross, SCVTA

Gary Slater, Caltrans D12

Suzanne Smith, SCTA

Tim Sobelman, Caltrans HQ

Isam Tabshouri, Caltrans D3

Marlo Tinney, Caltrans D3

Ray Tritt, Caltrans HQ

Brian Tsukamoto, Caltrans HQ

Darrell Vice, SCVTA

Bill Whitney, TAM

David Yale, LAMTA

*Chairs

Special Thanks

Terry Abbott, Caltrans HQ
Janet Adams, Solano CTA
Ferdinand Agbayani, Caltrans D12
Andrew Chesley, SJCOG
Robert Chung, CTC
Dana Cowell, SJCOG
Jim DeLuca, Caltrans HQ
Jessica Digiambattista, LAO
Rachel Falsetti, Caltrans HQ
Marlin Feenstra, RCTC
Charles Field, ACTC
Debbie Hale, TAMC
Jerry Jeffe, CALCOG
Kathy Mathews, EDCTC
Mark Miller, Caltrans D2
Mark Monroe, DOF
Rachel Moriconi, Santa Cruz County RTC
Hank Myers, TAMC
Jay Norvell, Caltrans HQ
John Pagano, Caltrans D8
Joanna Pang-Cannon, Caltrans HQ
Jim Porter, SAMTRANS
Greg Ramirez, Caltrans D8
John Ristow, SCVTA
Mark Robinson, Caltrans HQ
Diane Steinhauser, TAM
Joe Stramaglia, Kern COG
Eric Thronson, LAO
Wendy Villa, OCTA
Mitch Weiss, CTC
Elizabeth Wright, Tulare County AOG
David Youmans, Caltrans HQ

Appendices

Appendix A

Three-Year SHOPP Project Listing Summary for PID Development

For the full listing of projects, please visit:

http://www.dot.ca.gov/hq/tpp/offices/oppc/index.html

Appendix A - Total Number, Estimated PY Value and Project Cost of All SHOPP Project Initiation Documents (PID) Proposed for Development During FY 2010/11 - 2012/13, by Fiscal Year and District

		(2) District												
FY	Data	1	2	3	4	5	6	7	8	9	10	11	12	Grand Total
2010/11	Sum of Number of Projects	17	33	26	83	82	20	42	9	6	40	17	27	402
	Sum of Estimated PY Cost for FY	11.4	24.3	23.8	58.5	44.0	13.2	42.6	6.5	4.3	26.3	26.7	12.3	293.7
	Sum of Project Cost with Support ($M)	$79.1	$200.5	$139.0	$469.7	$392.1	$65.1	$362.4	$20.4	$18.2	$85.5	$22.8	$55.0	$1,909.6
2011/12	Sum of Number of Projects	15	9	1	43	53	24	25	8	4	25	8	17	232
	Sum of Estimated PY Cost for FY	12.6	12.2	9.3	35.4	28.0	21.7	39.0	4.8	2.9	18.1	19.4	10.1	213.4
	Sum of Project Cost with Support ($M)	$72.5	$118.5	$2.0	$362.1	$209.8	$282.7	$894.3	$202.0	$9.6	$133.0	$8.0	$30.6	$2,325.0
2012/13	Sum of Number of Projects	14	14	9	51	16	30	21	26	2	25	19	17	244
	Sum of Estimated PY Cost for FY	11.5	23.7	16.6	51.8	27.6	30.5	40.9	10.1	1.4	17.5	22.0	9.0	262.5
	Sum of Project Cost with Support ($M)	$69.4	$234.8	$94.6	$308.1	$80.8	$212.7	$800.4	$619.9	$7.0	$77.8	$39.4	$43.1	$2,587.9
Total Sum of Number of Projects		46	56	36	177	151	74	88	43	12	90	44	61	878
Total Sum of Estimated PY Cost for FY		35.5	60.2	49.6	145.7	99.6	65.4	122.5	21.3	8.6	61.9	68.1	31.4	769.6
Total Sum of Project Cost with Support ($M)		$221.0	$553.8	$235.6	$1,139.9	$682.7	$560.5	$2,057.0	$842.3	$34.8	$296.2	$70.2	$128.6	$6,822.5

Note: Projects carried over from year to year will only be captured once. Projects without estimated costs are given a default value of $1 million.

Appendices

Appendix B

Three-Year STIP Project Listing Summary for PID Development

For the full listing of projects, please visit:

http://www.dot.ca.gov/hq/tpp/offices/oppc/index.html

Appendix B Total Number, Dollar Value ($1M) and Estimated PY Cost of All Statewide NonSHOPP Project Initiation Documents (PID) Proposed for Development During FY 2010/11 - 2012/13, by Funding Source and by Fiscal Year

District	FY	Data	1STIP	2MIXED	3OTHER	TBD	Grand Total
1	2010/11	Sum of Number of Projects	7	4	2		13
		Sum of Actual PY Cost for Current FY	3.3	1.0	1.0		5.3
		Sum of Project Cost with Support ($M)	$7.0	$20.6	$2.0		$29.6
	2011/12	Sum of Number of Projects	3		0		3
		Sum of Actual PY Cost for Current FY	1.2		1.0		2.2
		Sum of Project Cost with Support ($M)	$3.0		$0.0		$3.0
	2012/13	Sum of Number of Projects		1	0		1
		Sum of Actual PY Cost for Current FY		0.2	1.0		1.2
		Sum of Project Cost with Support ($M)		$1.0	$0.0		$1.0
1 Sum of Number of Projects			10	5	2		17
1 Sum of Actual PY Cost for Current FY			4.5	1.2	3.0		8.7
1 Sum of Project Cost with Support ($M)			$10.0	$21.6	$2.0		$33.6
2	2010/11	Sum of Number of Projects	11	11			22
		Sum of Actual PY Cost for Current FY	4.3	3.8			8.1
		Sum of Project Cost with Support ($M)	$45.0	$134.0			$179.0
	2011/12	Sum of Number of Projects	4	9			13
		Sum of Actual PY Cost for Current FY	3.3	4.2			7.5
		Sum of Project Cost with Support ($M)	$6.0	$78.0			$84.0
	2012/13	Sum of Number of Projects	6	5			11
		Sum of Actual PY Cost for Current FY	3.2	4.1			7.3
		Sum of Project Cost with Support ($M)	$5.8	$5.0			$10.8
2 Sum of Number of Projects			21	25			46
2 Sum of Actual PY Cost for Current FY			10.8	12.1			22.9
2 Sum of Project Cost with Support ($M)			$56.8	$217.0			$273.8
3	2010/11	Sum of Number of Projects	1	17			18
		Sum of Actual PY Cost for Current FY	0.2	13.9			14.1
		Sum of Project Cost with Support ($M)	$5.0	$321.1			$326.1
	2011/12	Sum of Number of Projects	0	4			4
		Sum of Actual PY Cost for Current FY	0.2	5.0			5.2
		Sum of Project Cost with Support ($M)	$0.0	$57.6			$57.6
	2012/13	Sum of Number of Projects	0	8			8
		Sum of Actual PY Cost for Current FY	0.2	6.1			6.3
		Sum of Project Cost with Support ($M)	$0.0	$138.1			$138.1
3 Sum of Number of Projects			1	29			30
3 Sum of Actual PY Cost for Current FY			0.6	24.9			25.5
3 Sum of Project Cost with Support ($M)			$5.0	$516.8			$521.8
4	2010/11	Sum of Number of Projects	2	9	59	9	79
		Sum of Actual PY Cost for Current FY	1.0	4.1	33.1	4.4	42.6
		Sum of Project Cost with Support ($M)	$2.5	$791.3	$2,416.9	$34.8	$3,245.5
	2011/12	Sum of Number of Projects	1	0	15	14	30
		Sum of Actual PY Cost for Current FY	0.4	0.8	14.9	12.4	28.5
		Sum of Project Cost with Support ($M)	$1.0	$0.0	$108.7	$383.5	$493.2
	2012/13	Sum of Number of Projects			13	8	21
		Sum of Actual PY Cost for Current FY			11.7	7.6	19.3
		Sum of Project Cost with Support ($M)			$194.8	$30.0	$224.8
4 Sum of Number of Projects			3	9	87	31	130
4 Sum of Actual PY Cost for Current FY			1.4	4.9	59.7	24.4	90.3
4 Sum of Project Cost with Support ($M)			$3.5	$791.3	$2,720.4	$448.3	$3,963.5
5	2010/11	Sum of Number of Projects	5	4	8		17
		Sum of Actual PY Cost for Current FY	2.4	3.9	3.3		9.5
		Sum of Project Cost with Support ($M)	$24.7	$352.5	$82.3		$459.5
	2011/12	Sum of Number of Projects	2	1	0		3
		Sum of Actual PY Cost for Current FY	4.8	3.3	0.8		8.8
		Sum of Project Cost with Support ($M)	$50.0	$40.0	$0.0		$90.0
	2012/13	Sum of Number of Projects	1	1	1		3
		Sum of Actual PY Cost for Current FY	1.3	0.9	0.5		2.7
		Sum of Project Cost with Support ($M)	$9.0	$10.8	$9.0		$28.8
5 Sum of Number of Projects			8	6	9		23
5 Sum of Actual PY Cost for Current FY			8.5	8.0	4.5		21.0
5 Sum of Project Cost with Support ($M)			$83.7	$403.3	$91.3		$578.3
6	2010/11	Sum of Number of Projects	2	2	10		14
		Sum of Actual PY Cost for Current FY	1.8	1.5	11.5		14.8
		Sum of Project Cost with Support ($M)	$51.7	$675.0	$15,595.9		$16,322.6
	2011/12	Sum of Number of Projects		2	6		8
		Sum of Actual PY Cost for Current FY		1.7	9.0		10.7
		Sum of Project Cost with Support ($M)		$41.0	$40.0		$81.0
	2012/13	Sum of Number of Projects		2	2		4
		Sum of Actual PY Cost for Current FY		1.8	1.4		3.2
		Sum of Project Cost with Support ($M)		$6.0	$2.0		$8.0
6 Sum of Number of Projects			2	6	18		26
6 Sum of Actual PY Cost for Current FY			1.8	4.9	21.9		28.6
6 Sum of Project Cost with Support ($M)			$51.7	$722.0	$15,637.9		$16,411.6

District	FY	Data	1STIP	2MIXED	3OTHER	TBD	Grand Total
7	2010/11	Sum of Number of Projects	25	1	10		36
		Sum of Actual PY Cost for Current FY	23.4	1.0	12.0		36.4
		Sum of Project Cost with Support ($M)	$1,523.1	$1.0	$57.3		$1,581.4
	2011/12	Sum of Number of Projects	5		1		6
		Sum of Actual PY Cost for Current FY	23.3		2.0		25.3
		Sum of Project Cost with Support ($M)	$573.0		$0.0		$573.0
	2012/13	Sum of Number of Projects	4		1		5
		Sum of Actual PY Cost for Current FY	26.0		2.0		28.0
		Sum of Project Cost with Support ($M)	$6,980.0		$4.0		$6,984.0
7 Sum of Number of Projects			34	1	12		47
7 Sum of Actual PY Cost for Current FY			72.7	1.0	16.0		89.7
7 Sum of Project Cost with Support ($M)			$9,076.1	$1.0	$61.3		$9,138.4
8	2010/11	Sum of Number of Projects	1	2	27		30
		Sum of Actual PY Cost for Current FY	1.6	1.1	20.1		22.8
		Sum of Project Cost with Support ($M)	$14.8	$51.0	$1,467.9		$1,533.7
	2011/12	Sum of Number of Projects		4	4	5	13
		Sum of Actual PY Cost for Current FY		2.1	1.9	2.3	6.3
		Sum of Project Cost with Support ($M)		$97.0	$31.1	$112.0	$240.1
	2012/13	Sum of Number of Projects		4	3	1	8
		Sum of Actual PY Cost for Current FY		2.9	2.4	1.2	6.5
		Sum of Project Cost with Support ($M)		$14.9	$181.0	$1.0	$196.9
8 Sum of Number of Projects			1	10	34	6	51
8 Sum of Actual PY Cost for Current FY			1.6	6.1	24.4	3.5	35.6
8 Sum of Project Cost with Support ($M)			$14.8	$162.9	$1,680.0	$113.0	$1,970.7
9	2011/12	Sum of Number of Projects				1	1
		Sum of Actual PY Cost for Current FY				1.0	1.0
		Sum of Project Cost with Support ($M)				$14.2	$14.2
	2012/13	Sum of Number of Projects				1	1
		Sum of Actual PY Cost for Current FY					
		Sum of Project Cost with Support ($M)				$20.0	$20.0
9 Sum of Number of Projects						2	2
9 Sum of Actual PY Cost for Current FY						1.0	1.0
9 Sum of Project Cost with Support ($M)						$34.2	$34.2
10	2010/11	Sum of Number of Projects	1	1	5	4	11
		Sum of Actual PY Cost for Current FY	0.4	0.0	1.3	3.0	4.7
		Sum of Project Cost with Support ($M)	$1.0	$25.0	$113.6	$4.0	$143.6
	2011/12	Sum of Number of Projects			1		1
		Sum of Actual PY Cost for Current FY			0.5		0.5
		Sum of Project Cost with Support ($M)			$7.0		$7.0
	2012/13	Sum of Number of Projects	2	1		3	6
		Sum of Actual PY Cost for Current FY	1.6	0.5		2.5	4.6
		Sum of Project Cost with Support ($M)	$184.0	$247.0		$3.0	$434.0
10 Sum of Number of Projects			3	2	6	7	18
10 Sum of Actual PY Cost for Current FY			2.0	0.5	1.8	5.5	9.8
10 Sum of Project Cost with Support ($M)			$185.0	$272.0	$120.6	$7.0	$584.6
11	2010/11	Sum of Number of Projects		17			17
		Sum of Actual PY Cost for Current FY		30.0			30.0
		Sum of Project Cost with Support ($M)		$2,657.0			$2,657.0
	2011/12	Sum of Number of Projects		7			7
		Sum of Actual PY Cost for Current FY		17.0			17.0
		Sum of Project Cost with Support ($M)		$759.0			$759.0
	2012/13	Sum of Number of Projects	1	12			13
		Sum of Actual PY Cost for Current FY	1.0	28.5			29.5
		Sum of Project Cost with Support ($M)	$83.1	$1,191.0			$1,274.1
11 Sum of Number of Projects			1	36			37
11 Sum of Actual PY Cost for Current FY			1.0	75.5			76.5
11 Sum of Project Cost with Support ($M)			$83.1	$4,607.0			$4,690.1
12	2010/11	Sum of Number of Projects		5	10		15
		Sum of Actual PY Cost for Current FY		2.5	7.2		9.7
		Sum of Project Cost with Support ($M)		$206.5	$2,733.9		$2,940.4
	2011/12	Sum of Number of Projects		0	3		3
		Sum of Actual PY Cost for Current FY		0.5	3.6		4.1
		Sum of Project Cost with Support ($M)		$0.0	$330.7		$330.7
	2012/13	Sum of Number of Projects			14		14
		Sum of Actual PY Cost for Current FY			9.0		9.0
		Sum of Project Cost with Support ($M)			$1,775.1		$1,775.1
12 Sum of Number of Projects				5	27		32
12 Sum of Actual PY Cost for Current FY				3.0	19.8		22.8
12 Sum of Project Cost with Support ($M)				$206.5	$4,839.6		$5,046.2
Total Sum of Number of Projects			83	132	186	43	444
Total Sum of Actual PY Cost for Current FY			104.5	138.7	127.4	23.5	394.1
Total Sum of Project Cost with Support ($M)			$9,567.7	$7,936.4	$24,796.5	$568.3	$42,868.9

Note: Projects carried over from year to year will only be captured once. Projects without estimated costs are given a default value of $1 million.

Appendices

Appendix C

SHOPP PID Shelf Listing Summary

For the full listing of projects, please visit:

http://www.dot.ca.gov/hq/tpp/offices/oppc/index.html

Appendix C - Total Number and Project Value of Current FY 2009/10 SHOPP Shelf PIDs, by District and Shelf Status

District	Updated Status	Data	Bridge	Collision Reduction	Emergency	Facilities	Mandates	Mobility	Roadside	Roadway	Grand Total
1	Fundable	Sum of Number of Projects	5	2	1					5	13
		Sum of Total Project Cost ($M)	$118.3	$10.0	$15.7					$39.8	$183.8
	Priority but Unfunded	Sum of Number of Projects								13	13
		Sum of Total Project Cost ($M)								$135.8	$135.8
1 Sum of Number of Projects			5	2	1					18	26
1 Sum of Total Project Cost ($M)			$118.3	$10.0	$15.7					$175.6	$319.6
3	Fundable	Sum of Number of Projects	1						1	3	5
		Sum of Total Project Cost ($M)	$2.3						$1.5	$63.2	$67.0
	Priority but Unfunded	Sum of Number of Projects					2	2	3	8	15
		Sum of Total Project Cost ($M)					$9.4	$12.9	$9.0	$114.4	$145.7
3 Sum of Number of Projects			1				2	2	4	11	20
3 Sum of Total Project Cost ($M)			$2.3				$9.4	$12.9	$10.5	$177.6	$212.7
4	Fundable	Sum of Number of Projects						1			1
		Sum of Total Project Cost ($M)						$2.3			$2.3
	Priority but Unfunded	Sum of Number of Projects				1		9	4	7	21
		Sum of Total Project Cost ($M)				$6.0		$148.9	$7.9	$52.9	$215.7
4 Sum of Number of Projects						1		10	4	7	22
4 Sum of Total Project Cost ($M)						$6.0		$151.2	$7.9	$52.9	$218.0
5	Fundable	Sum of Number of Projects	4							5	9
		Sum of Total Project Cost ($M)	$68.8							$73.3	$142.1
	Priority but Unfunded	Sum of Number of Projects	2			1		8	5	17	33
		Sum of Total Project Cost ($M)	$12.7			$3.2		$25.7	$14.0	$74.5	$130.1
5 Sum of Number of Projects			6			1		8	5	22	42
5 Sum of Total Project Cost ($M)			$81.5			$3.2		$25.7	$14.0	$147.8	$272.2
6	Fundable	Sum of Number of Projects	1	3			1				5
		Sum of Total Project Cost ($M)	$4.7	$3.9			$5.3				$13.8
	Priority but Unfunded	Sum of Number of Projects	3	1				1	1	14	20
		Sum of Total Project Cost ($M)	$10.9	$2.8				$1.5	$1.9	$83.9	$101.0
6 Sum of Number of Projects			4	4			1	1	1	14	25
6 Sum of Total Project Cost ($M)			$15.6	$6.7			$5.3	$1.5	$1.9	$83.9	$114.9
7	Fundable	Sum of Number of Projects	6	8			9			7	30
		Sum of Total Project Cost ($M)	$34.1	$38.2			$78.7			$309.6	$460.6
	Priority but Unfunded	Sum of Number of Projects								3	3
		Sum of Total Project Cost ($M)								$218.4	$218.4
7 Sum of Number of Projects			6	8			9			10	33
7 Sum of Total Project Cost ($M)			$34.1	$38.2			$78.7			$528.0	$679.0
8	Fundable	Sum of Number of Projects	3	1		1				22	27
		Sum of Total Project Cost ($M)	$9.4	$14.8		$2.4				$694.3	$720.9
	Priority but Unfunded	Sum of Number of Projects				2		9	10	1	22
		Sum of Total Project Cost ($M)				$4.0		$269.3	$61.9	$2.9	$338.1
8 Sum of Number of Projects			3	1		3		9	10	23	49
8 Sum of Total Project Cost ($M)			$9.4	$14.8		$6.4		$269.3	$61.9	$697.2	$1,059.0
9	Priority but Unfunded	Sum of Number of Projects								1	1
		Sum of Total Project Cost ($M)								$3.0	$3.0
9 Sum of Number of Projects										1	1
9 Sum of Total Project Cost ($M)										$3.0	$3.0
10	Priority but Unfunded	Sum of Number of Projects	3	1		1		8	4	33	50
		Sum of Total Project Cost ($M)	$66.7	$1.2		$1.3		$30.1	$8.2	$305.5	$413.0
10 Sum of Number of Projects			3	1		1		8	4	33	50
10 Sum of Total Project Cost ($M)			$66.7	$1.2		$1.3		$30.1	$8.2	$305.5	$413.0
11	Fundable	Sum of Number of Projects						1		9	10
		Sum of Total Project Cost ($M)						$0.9		$86.3	$87.2
	Priority but Unfunded	Sum of Number of Projects							5		5
		Sum of Total Project Cost ($M)							$7.7		$7.7
11 Sum of Number of Projects								1	5	9	15
11 Sum of Total Project Cost ($M)								$0.9	$7.7	$86.3	$94.9
12	Fundable	Sum of Number of Projects								7	7
		Sum of Total Project Cost ($M)								$83.0	$83.0
	Priority but Unfunded	Sum of Number of Projects	1			1	1	7		8	18
		Sum of Total Project Cost ($M)	$1.1			$10.0	$15.0	$48.6		$65.6	$140.4
12 Sum of Number of Projects			1			1	1	7		15	25
12 Sum of Total Project Cost ($M)			$1.1			$10.0	$15.0	$48.6		$148.5	$223.3
Total Sum of Number of Projects			**29**	**16**	**1**	**7**	**13**	**46**	**33**	**163**	**308**
Total Sum of Total Project Cost ($M)			**$329.0**	**$70.9**	**$15.7**	**$26.9**	**$108.4**	**$540.2**	**$112.2**	**$2,406.4**	**$3,609.6**

Appendices

Appendix D

STIP and Non-SHOPP PID
Shelf Listing Summary

For the full listing of projects, please visit:

http://www.dot.ca.gov/hq/tpp/offices/oppc/index.html

Appendix D - Total Number and Project Value of FY 2009/10 STIP and NonSHOPP Shelf PIDs, by Status and Funding Type

LEAD or QA?	STIP, Mixed, or exclusively OTHER?	Data	**Fundable**	**Priority but Unfunded**	**Grand Total**
LEAD	1STIP	Sum of Number of Projects	10	15	25
		Sum of Project Cost with Support ($M)	$42.9	$704.5	$747.5
	2MIXED	Sum of Number of Projects	3	4	7
		Sum of Project Cost with Support ($M)	$258.5	$439.4	$697.9
	3Other	Sum of Number of Projects	3	10	13
		Sum of Project Cost with Support ($M)	$2,715.0	$1,706.8	$4,421.8
LEAD Sum of Number of Projects			16	29	45
LEAD Sum of Project Cost with Support ($M)			$3,016.4	$2,850.7	$5,867.2
QA	1STIP	Sum of Number of Projects		7	7
		Sum of Project Cost with Support ($M)		$866.1	$866.1
	2MIXED	Sum of Number of Projects	3	11	14
		Sum of Project Cost with Support ($M)	$114.7	$164.8	$279.5
	3Other	Sum of Number of Projects	19	14	33
		Sum of Project Cost with Support ($M)	$790.4	$275.9	$1,066.3
QA Sum of Number of Projects			22	32	54
QA Sum of Project Cost with Support ($M)			$905.1	$1,306.8	$2,211.9
Total Sum of Number of Projects			**38**	**61**	**99**
Total Sum of Project Cost with Support ($M)			**$3,921.6**	**$4,157.5**	**$8,079.1**

1STIP= Strictly ITIP/RTIP funded
2MIXED= STIP Dollars combined w/ any other monies (ie local development)
3OTHER= Strictly funded from a source other than STIP

02/10/2010

Appendices

Appendix E

STIP and Non-SHOPP PID Workload-Based Resource Estimate

Non-SHOPP PID Workload Based Resource Estimate
Draft - Forcast of Funding Available to On-System Projects Where Caltrans Forces Prepare PID's

	Approximate Formula Annual State and Federal Resources (Persistent Revenues)								Other "Annualized" Ad-hoc Revenues				
	STIP - RIP		CMAQ		RSTP		Tally		Local Sales Tax		Other Local	Other State or Federal	
County	New TIF Funds (Annual $'s in millions)	Historical On-System Percentage	Actual 08/09 (Annual $'s in millions)	Historical On-System Percentage	Actual 08/09 (Annual $'s in millions)	Historical On-System Percentage	Estimate of Annual On-system Resources	Programmed Un-Funded Need (millions)	07/08 Revenues (millions)[2]	Terminates	Mitigation Fees	Historical (Since ISTEA[1]) On-System Fed Earmarks	Future State Bond Proceeds
Alameda	16.3	37.7%	14.7	14.6%	13.4	27.5%	12.0	384.0	116.3	2022		2.5	
Alpine	0.5	0.0%		0.0%	0.1	0.0%	0.0						
Amador	1.1	89.5%	0.3	13.6%	0.4	0.0%	1.0	80.8					
Butte	3.1	92.4%	2.3	21.3%	2.4	0.0%	3.4				2.6	0.5	
Calaveras	1.2	94.0%	0.4	69.4%	0.5	0.0%	1.5	72.6				0.1	
Colusa	0.8	26.4%			0.2	0.0%	0.2				0.1		
Contra Costa	10.6	71.1%	9.6	0.0%	8.8	14.2%	8.8		74.7	2034		2.1	
Del Norte	0.8	81.0%			0.3	0.0%	0.6				0	0.1	
El Dorado	2.0	96.0%	1.8	82.1%	2.7	64.5%	5.2				26	0.1	
Fresno	11.3	93.0%	11.3	0.0%	9.6	1.5%	10.7	208.0	59.2	2027		3.1	
Glenn	0.9	33.3%			0.3	0.0%	0.3				0.1		
Humboldt	3.2	49.4%			1.5	0.0%	1.6	41.0			0	0.0	
Imperial	5.3	95.0%	1.4	0.0%	1.7	4.1%	5.1	132.3	3.8	2049		1.0	
Inyo	4.3	73.5%			0.7	0.0%	3.1	124.5					
Kern	14.8	32.5%	8.1	0.0%	7.9	0.0%	4.8	436.2				5.6	
Kings	2.2	93.5%	1.5	0.0%	1.6	0.0%	2.1						
Lake	1.4	38.0%			0.7	0.0%	0.5	182.8				0.0	
Lassen	2.0	15.3%			0.4	0.0%	0.3	3.2			0		
Los Angeles	100.0	52.8%	138.0	47.7%	114.2	31.7%	155.0	353.4	2,771.6	Never		8.3	
Madera	2.0	65.9%	1.5	5.5%	1.5	100.0%	2.9		7.6	2027			
Marin	3.1	90.3%	2.5	91.2%	2.3	0.0%	5.1		22.4	2025		1.6	
Mariposa	0.8	0.0%	0.2	0.0%	0.2	0.0%	0.0				0.01		
Mendocino	3.0	49.1%			1.0	0.0%	1.5	388.7			0	0.3	
Merced	3.6	95.4%	2.6	0.0%	2.5	0.0%	3.4	184.1			1.5	0.1	
Modoc	1.1	31.1%			0.3	0.0%	0.3				0		
Mono	3.2	9.9%			0.2	0.0%	0.3	49.4			0.3		
Monterey	5.8	73.7%			4.8	0.0%	4.3	520.6				1.3	
Napa	1.9	98.2%	1.3	100.0%	1.2	22.1%	3.4	84.9					
Nevada	1.7	96.3%	0.9	54.1%	1.1	0.0%	2.1	18.2			3.3	0.2	
Orange	30.2	63.3%	41.5	35.5%	34.2	36.8%	46.4		264.0	2041	33.8	1.9	
Placer	3.2	82.2%	3.9	8.9%	3.1	0.0%	3.0	11.0			8	2.0	
Plumas	1.2	12.2%			0.2	0.0%	0.1	5.0			0		
Riverside	21.6	84.8%	27.0	69.2%	18.6	46.1%	45.6		142.5	2039		3.3	
Sacramento	14.0	20.4%	17.5	21.6%	13.9	15.2%	8.8	43.7	101.4	2039	38	0.3	
San Benito	1.0	58.8%			0.6	78.9%	1.1					0.5	
San Bernardino	28.1	93.0%	27.3	59.7%	20.5	0.0%	42.4	2,001.4	140.8	2040		7.3	
San Diego	33.1	83.4%	31.4	56.8%	33.8	73.0%	70.1	1,851.4	244.4	2048		9.1	
San Francisco	8.4	50.7%	7.9	0.0%	7.2	0.0%	4.2		79.6	2033		0.8	
San Joaquin	7.3	63.9%	8.5	0.0%	6.6	3.0%	4.9		45.6	2041	2.2	1.8	
San Luis Obispo	5.9	77.6%			3.0	0.0%	4.6	159.5				2.3	
San Mateo	8.7	79.3%	7.2	12.5%	6.6	38.5%	10.3		68.7	2034		1.0	
Santa Barbara	6.7	93.0%			4.8	9.4%	6.7	647.7	32.6	2040		0.1	
Santa Clara	19.1	54.7%	17.1	3.7%	34.1	16.4%	16.7		323.5	2036		6.3	
Santa Cruz	3.3	56.3%			3.1	0.0%	1.9	423.5				0.2	

Non-SHOPP PID Workload Based Resource Estimate
Draft - Forcast of Funding Available to On-System Projects Where Caltrans Forces Prepare PID's

	Approximate Formula Annual State and Federal Resources (Persistent Revenues)								Other "Annualized" Ad-hoc Revenues				
	STIP - RIP		CMAQ		RSTP		Tally		Local Sales Tax		Other Local	Other State or Federal	
County	New TIF Funds (Annual $'s in millions)	Historical On-System Percentage	Actual 08/09 (Annual $'s in millions)	Historical On-System Percentage	Actual 08/09 (Annual $'s in millions)	Historical On-System Percentage	Estimate of Annual On-system Resources	Programmed Un-Funded Need (millions)	07/08 Revenues (millions)[2]	Terminates	Mitigation Fees	Historical (Since ISTEA[1]) On-System Fed Earmarks	Future State Bond Proceeds
Shasta	3.4	81.1%			2.0	0.0%	2.8	155.2			0	0.5	
Sierra	0.6	0.8%			0.1	0.0%	0.0				0		
Siskiyou	2.4	6.2%			0.7	0.0%	0.1				0		
Solano	5.0	0.7%	9.3	0.6%	3.7	0.0%	0.1	12.0				1.6	
Sonoma	6.1	93.3%	4.7	72.8%	4.3	0.0%	9.1		19.0	2025		1.2	
Stanislaus	5.7	91.3%	6.5	0.3%	5.5	3.0%	5.4	1,215.0			10	0.9	
Sutter	1.3	97.5%	0.9	0.0%	0.7	63.2%	1.7					0.4	
Tahoe RPA	0.8	20.0%	0.6	0.0%	0.6	0.0%	0.2						
Tehama	1.7	56.2%			0.7	0.0%	1.0	45.4			0	0.1	
Trinity	1.2	15.0%			0.3	0.0%	0.2				0		
Tulare	7.0	40.7%	4.4	0.0%	4.4	0.0%	2.8	163.4	26.1	2037		1.0	
Tuolumne	1.4	92.1%	0.5	0.0%	0.7	0.0%	1.3				1		
Ventura	9.9	77.0%	7.8	3.9%	9.0	21.1%	9.8	53.2				0.8	
Yolo	2.7	82.7%	2.4	7.5%	1.6	30.1%	2.9	53.9				0.7	
Yuba	1.0	63.5%		0.0%	0.6	0.0%	0.6						
Total County	**450**	**60.4%**	**424.8**	**22.4%**	**407.7**	**11.9%**	**544.1**	**10,105.9**	**4,543.8**		**126.91**	**71.2**	
ITIP	150.0							2,000.0					

[1] The Intermodal Surface Transportation Efficiency Act of 1991

[2] http://selfhelpcounties.org/salestax.html

Appendices

Appendix F

Implementation of the PID Strategic Plan Recommendations

Appendix F

Implementation of the PID Strategic Plan Recommendations

#		Recommendations	Task Owner(s)	Priority	Planned Implementation Dates/Timeframes
1	Key Recommendation	PID Program Management: Shelf Management Develop three-year PID Strategic Plan to be updated annually by Caltrans by December 1 of every year, in coordination with the California Transportation Commission (CTC), Caltrans' Office of Projects and Plans Coordination, and the regional agencies.	HQ Planning Districts	High	Completed March 1, 2010 Next Scheduled Update December 1, 2010
2	Key Recommendation	PID Program Management: Shelf Management Caltrans and regional agencies will collaborate using defined criteria to maintain a healthy shelf inventory. They will carefully review the existing shelf to determine which projects should remain; looking at: • On the shelf for 5 years or more. • Validity of original purpose and need. • Strategy and prospects for funding the project. • If not imminently fundable, whether the project is a regional priority.	HQ Planning Districts Regions	High	Next Scheduled Update December 1, 2010
3	Key Recommendation	PID Program Management: Workload Management The number of PIDs should not necessarily be limited to near-term STIP or SHOPP programming capacity, in order to be ready for funding opportunities, to build a long-term programming strategy, and to be responsive to developer or local-fee program proposals. Criteria for selecting new projects and developing PID workload includes: • Correlate PIDs developed to likely funding sources. • Projects that address deficiencies identified on the transportation system (including safety and mandates). • Project included in a long-range plan.	HQ Planning Districts Regions	High	June 2010
6	Key Recommendation	PID Program Improvements: Education and Outreach on Existing PID Processes and Procedures For internal and external stakeholders, enhance PID outreach activities for existing guidance and procedures that can be used to streamline the PID development process and reduce costs and delays.	HQ Planning Districts	High	September 2010

Appendix F

Implementation of the PID Strategic Plan Recommendations

#		Recommendations	Task Owner(s)	Priority	Planned Implementation Dates/Timeframes
8	Key Recommendation	PID Program Improvements: Risk Management Process If project sponsors concur with the risk analysis, they must accept ownership and ramifications for the risks associated with their respective projects. All identified risks and risk owners should be documented in the project's risk register.	HQ Planning HQ Project Management HQ Design Project Sponsors	High	December 2010
9	Key Recommendation	PID Program Improvements: Risk Management Process Project sponsors must document the purpose and need, funding strategy, project deliverables, known constraints, assumptions, potential fatal flaws, applicable cost sharing terms, and risks in the PID charter developed by concurrence between Caltrans and the project sponsor at the pre-PID meeting. This provides the necessary framework for developing a clear and concise PID scope of work.	Districts Project Sponsors	High	October 2010
10	Key Recommendation	PID Program Improvements: Conflict Resolution Caltrans' district director will convene an Executive Review Committee (Committee) in the event that conflict over the necessary content of the PID arises. The members of the Committee shall include the Caltrans' headquarters (HQ) Design coordinator, the HQ Project Management Liaison, the District's Deputy Director responsible for PIDs, and a local agency representative. The Committee will make a final recommendation to the district director.	HQ Design Districts	High	October 2010
14	Key Recommendation	PID Program Improvements: Cost Sharing & Reimbursement Caltrans will develop and implement a PID pilot program whereby regional and local agencies would have the option of reimbursing Caltrans for developing streamlined PID documents. Caltrans will use the existing Project Study Report-Project Development Support (PSR-PDS) document as the basis for the streamlined document until Caltrans and the regions agree on an approach to streamline PID documents for STIP candidate projects. The project sponsor and Caltrans district staff may negotiate cost sharing terms for any additional work that may be agreed to at the pre-PID meeting (or may become necessary later). When agencies request Caltrans develop PIDs not identified in their respective, financially constrained, annual district PID workplans or identified as a priority in their respective regional funding strategies, these agencies will be required to reimburse Caltrans for any work associated with the development of these PIDs.	HQ Planning HQ Design	High	September 2010

Appendix F

Implementation of the PID Strategic Plan Recommendations

#		Recommendations	Task Owner(s)	Priority	Planned Implementation Dates/Timeframes
15	Key Recommendation	PID Program Improvements: Cost Sharing & Reimbursement Project sponsors will have the option of reimbursing Caltrans districts for some or all of the costs associated with Independent Quality Assurance (IQA), feasibility studies, major investment studies, and special studies. Districts and project sponsors should have early and continual discussions to establish the viability of the project proposals, procedural requirements, and the schedule for various project deliverables. All agreements between Caltrans districts and the project sponsors should clearly identify cost sharing terms and procedures.	HQ Planning HQ Design	High	September 2010
16	Key Recommendation	PID Program Improvements: Improving PID Guidance and Estimating Costs Caltrans will proceed to use the Project Study Report-Project Development Support (PSR-PDS) to move locally-funded STIP candidate projects into the environmental phase. Amend Chapter 9 (Project Initiation) and Appendix L (Project Study Report) of the Project Development Procedures Manual (PDPM) to clarify the appropriate level of detail necessary to develop PIDs. The guidance should also clarify the use of "ballpark" and/or order of magnitude estimates and discuss the need to regularly update cost estimates prior to approval of the project report.	HQ Planning HQ Design PID Improvement Taskforce	High	December 2010
18	Key Recommendation	PID Program Improvements: Caltrans PID Oversight Caltrans intends to streamline PID review procedures and provide detailed guidance in the Project Development Procedures Manual (PDPM) for PID oversight activities for PIDs funded by others.	HQ Planning HQ Design	High	March 2010
21	Key Recommendation	PID Program Improvements: PID Improvement Taskforce Caltrans will form a PID Improvement Taskforce (Taskforce), including internal and external stakeholders, to continuously evaluate the effectiveness of the PID Program and the PID Strategic Plan. The Taskforce will also recommend further improvements related to cost sharing, reducing costs and delays, and streamlining procedures associated with the development and oversight of PIDs. The Taskforce will meet quarterly, or as needed, and report its findings in annual December 1 updates of the PID Strategic Plan.	HQ Planning	High	April 2010
4		PID Program Management: Workload Management Review the SHOPP PID inventory annually as part of the update of the 10-Year SHOPP.	HQ Planning Districts	Medium	Next Scheduled Update December 1, 2010
5		PID Program Management: Workload Management Caltrans districts and regional agencies work together to prepare a variety of STIP candidate projects to be ready for programming opportunities.	Districts Regions	Medium	Ongoing

Appendix F

Implementation of the PID Strategic Plan Recommendations

#		Recommendations	Task Owner(s)	Priority	Planned Implementation Dates/Timeframes
7		PID Program Improvements: Education and Outreach on Existing PID Processes and Procedures Hold a series of statewide PID training conferences and develop a web-based training program. The training will be available for all PID stakeholders. The conferences will be designed to educate all PID stakeholders on existing PID policies and procedures and developing more effective PIDs.	HQ Planning HQ Design Districts	Medium	September 2010 - August 2011
11		PID Program Improvements: Conflict Resolution Develop a conflict resolution process and update the PDPM and policy documents to include conflict resolution.	HQ Planning HQ Design	Medium	September 2010
12		PID Program Improvements: Pre-PID and Pre-PEAR Meetings Hold pre-PID meeting with stakeholders. The Project Development Team (PDT) should assess the quality of existing data, document the project's purpose and need, discuss the scope of the PID, and determine roles and responsibilities. All of this information should be documented in the project charter. Checklists for risk management and other technical issues (e.g., geotechnical, stormwater, etc.) should be used to help assess the need to report or investigate potentially significant and likely risks and prescribe specific studies for the PID. All discussions should be documented and used as a basis for any future agreements.	HQ Planning HQ Design	Medium	January 2011
13		PID Program Improvements: Pre-PID and Pre-PEAR Meetings When appropriate, hold a pre-PEAR meeting to review the PEAR checklist, focus environmental work, improve communications, define expectations, and estimate environmental work schedules.	HQ Environmental	Medium	September 2010
17		PID Program Improvements: Different Guidelines for SHOPP and STIP PIDs Evaluate the feasibility of maintaining separate procedures and guidance for STIP and SHOPP projects.	HQ Planning HQ Design PID Improvement Taskforce	Medium	December 2010
19		PID Program Improvements: Caltrans PID Oversight Ensure that each Caltrans district has well-trained staff to guide the work of PID oversight activities. If the draft PID is incomplete, Caltrans staff will only review the completed PID sections, or to return the PID with comments indicating what must be done to make it reviewable. Priority of review will be for complete PIDs.	HQ Planning HQ Design	Medium	September 2010

Appendix F

Implementation of the PID Strategic Plan Recommendations

#		Recommendations	Task Owner(s)	Priority	Planned Implementation Dates/Timeframes
20		PID Program Improvements: Performance Measures Caltrans should develop and use performance measures to manage the PID Program and reassess the PID Strategic Plan on a continuous basis.	HQ Planning PID Strategic Taskforce	Medium	September 2010

Appendices

Appendix G

Transportation Funding in California

Appendix G

Transportation Funding in California

California, like the rest of the nation, built its interstate system primarily with federal and state funds derived from per gallon gasoline and diesel fuel excise taxes, commonly called the gas tax. Being a fixed amount, the excise tax needs periodic increases to maintain buying power and to keep up with the effects of inflation, a politically difficult sell. By the 1980's it became apparent that the gas tax was not keeping up with inflation and that other revenue would be needed to continue to fund transportation improvements. The state gas tax was last raised in 1994, and the federal excise tax was raised in 1997. Inflation has since cut the buying power of both sources to less than 50 percent of their 1990-era levels.

Frustrated by the slow progress caused by low funding, Santa Clara County in 1984 became the first county to tax themselves to build a state highway (Route 85). Many counties have followed successfully in this path. In the early 1990's the state experimented with the use of bond proceeds through the initiative process to fund transportation projects. Unfortunately even though all $3 billion worth of projects were programmed and committed for delivery, the voters later rejected $2 billion of the bonds. During the "dot com" boom of the late 1990's the state tried diverting excess General Funds to transportation the TCRP program. Unfortunately the dot com boom ended as quickly as it began so the General Fund has never been able to meet that commitment.

Through a series of voter initiatives during the early and mid-2000s, the state now re-directs a portion of the sales tax on gasoline and diesel to transportation. However, as the price of gasoline has increased along with sales tax proceeds, the legislature has consistently kept the transfers to transportation to the legal minimum preferring to use the rest to prop up the troubled state General Fund. Lately, the state experimented again with the use of bonds (Prop 1A) for transportation. While sorely needed, these funds have primarily gone to projects stated earlier, but were stalled due to lack of funds. Unfortunately, the current recession is hindering the state's ability to sell bonds those bonds, again slowing down project construction.

In an environment of erratic funding levels, compounded by a plethora of funding sources each with unique rules and restrictions that limit discretion for certain policy or political aims regardless of real needs, it is little wonder the logical outcome is a series of boom and bust cycles and misplaced expectations. In this environment, planning large transportation projects, that typically take three to seven years to plan and design, often ends up becoming out of sync with funding. Recognizing that things aren't likely to improve, the challenge is to plan an appropriate shelf of PID's (of appropriate project characteristics) to meet the next boom cycle.

The Situation Today

Taxes on gasoline and diesel fuels, plus local county measures are the largest sources of persistent revenues for transportation work on the state highway system. Other sources include bond proceeds, state General Fund transfers, federal programs and earmarks, development mitigation fees, and lately, federal stimulus funds. State and federal gas tax and sales tax revenues available to the state highway programs range are nearly $2 billion per year. While the total revenue collected by county sales tax measures during the 2007/08 FY was about $4.5 billion, a high percentage of those funds are earmarked to transit or local roads and unavailable for use on the state highway system.

Fund Estimate

On a biennial schedule (once every two years), the Department prepares a multi-year Fund Estimate that address state revenues. The Fund Estimate is a forward looking analysis, looking ahead by five years, which compares existing commitments to anticipated revenues. In concept the Fund Estimate is rather simple and the output is an estimate of new programming for the state's two major highway programs. California splits it share of state highway gas tax funds between two distinct highway programs, the STIP and the SHOPP.

The SHOPP

The SHOPP, a fiscally constrained four-year program of projects dedicated to the maintenance and preservation of the state highway system, is the Department's highest priority. Starting about 2004 the needs of the SHOPP began to consume 100 percent of the state and federal gas tax; previously that fund source met the demands of both programs. Unfortunately, as noted above these funds are derived from a source that is not indexed to inflation and is already well below a level necessary to keep the roadway system in a good state of repair.

The 2010 Fund Estimate SHOPP program capacity for the period from FY 2010-11 to 2014-15 is $4.3 billion dollars. This falls $2 billion below the $6.3 billion goal constrained SHOPP 10-year plan. As a result of the large shortfall, potential impacts may include delays of needed projects, an inability to fix new and/or ongoing deterioration of the highways, and possible cost increases. Due to declining funding and growing needs, existing programmed SHOPP projects will be delayed. The only new projects that will be programmed in the next four-year SHOPP document will address safety needs, emergency needs, or legal and regulatory mandates. Though insufficient to meet SHOPP needs, gas tax revenues are reasonably steady and predictable and should allow sensible PID planning.

Recently some of Proposition 1B funding and recent federal stimulus funds were made available to the SHOPP. While welcomed, because the inflation continues to erode the buying power of the gas tax compounded by the downturn in the economy causing a drop, these one-time funds ultimately wound up substituting for the loss of the gas tax serving largely to maintain planned delivery. As the gas tax buying power continues to erode other short term funding solutions are likely to be found for SHOPP leading to a boom and bust cycle that now reaches extreme proportions in the STIP.

The STIP

The STIP is a program of projects, across a five-year time frame, that is intended to relieve congestion and improve interregional mobility primarily though construction of new freeway lanes, interchanges, and roads. Today, since 100 percent of the gas tax funds are now slated to the SHOPP, the STIP receives whatever is funds remain. The steadiest source of revenue to the STIP is the Transportation Investment Fund (TIF). These are derived from a portion of the sales tax on the sale of gasoline and diesel. By law, TIF revenues cannot be used to fund SHOPP projects, thus they must go to the STIP and are anticipated to be in the $450 - 500 million per year range. While somewhat certain, in a fiscal emergency the legislature can elect to suspend the transfer of TIF revenues to transportation for one year. While those funds are required to be repaid, this would cause havoc to STIP project delivery. Another source of funding to the STIP is the Public Transit Account (PTA), also derived from the sales tax on gasoline and diesel. As PTA funds cannot be utilized to fund roadwork, this fund source should be excluded when determining PID resources. Regardless, current law permits the legislature broad discretion to redirect PTS funds to non-transportation purposes with no penalty, and they have. In practice this is an unreliable fund source. Historically it has proven a minor fund source as well. Little to no PTA is anticipated in the near future. A very small amount of federal transportation enhancement funding is also included with the STIP, resulting in some minor PID demand.

Other funding sources and programs exist that largely support the same objectives of the STIP. This includes the state TCRP and Proposition 1B (CMIA, Route 99, and TCIF) programs. Local sales tax measure and specific federal programs and earmarks are also included. Most highway projects are funded with a basket of these funds, a consequence of the hodgepodge funding plans that evolved in California. Many of these funding programs are one-time in nature contributing to the booms. Figure 2 (strata chart) illustrates this over time. For the sake of this report we will call this whole collective of programs the STIP, as PIDs are generally required and developed for these programs.

Appendices

Appendix H

Risk Management

Appendix H

Risk Management

Risk management can be categorized into three areas: risk identification, risk analysis, and risk response. Risk identification is one of the initial steps in risk management. The project team collaborates with the project manager and the project sponsor to identify project risks. The *Caltrans Project Risk Management Handbook* states that "risk identification is an iterative process because new risks may become known as the project progresses through its life cycle and previously identified risks may drop out."

The next step in the risk management process is to analyze the identified risks. The project team prioritizes the identified risks based on the probability of the risks occurring and their potential impact to the project objectives. After the risks are identified and analyzed, the project team should develop methods for responding to the identified risks. This may include avoiding, transferring, or mitigating the risks.

The three components of risk management, identification, analysis, and response, will eventually lead the project team to develop a risk management plan. According to the *Caltrans Project Risk Management Handbook*, the risk management plan should identify and establish the risk management activities for the project. Risk management activities may include defining roles and responsibilities, developing a risk methods, identifying risk identification and analysis methods, and establishing a budget to manage risks. All of the components of the risk management plan and aspects of risk management should be further analyzed, updated, and monitored throughout the life of the project .

Appendices

Appendix I

Terms and Definitions

APPENDIX I

PID Terms and Definitions

Project Initiation Documents (PIDs) are categorized into the following condition states:

- Approved for Capital Development - A SHOPP project that has been approved for at least some capital development work, but does not have construction funding dedicated to the project, e.g. Long-Lead projects.
- Carry-over – Projects on an approved, active work plan, resourced in a prior FY.
- Discontinued – No resources to be expended on PID.
- Fundable (Viable) – PIDS that can be programmed within three years.
- Hold – PIDs stopped due to funding or priority shift – still viable.
- New – Projects that have never been resourced, proposed to be resourced in current fiscal year (FY).
- Priority, but Unfunded – Projects still a priority, but no funding stream currently available.
- Programmed – A SHOPP project that has been approved for capital development and has dedicated funding for construction or a Non-SHOPP project that has at least one component approved for development, e.g., the environmental component.
- Refresher – PIDs 100 percent complete, but are being updated to reflect current conditions (to include funding).
- Shelf – PIDs 100 percent complete and signed by the district director, but not programmed.
- Unfundable (Obsolete) – PIDs that no longer meet original purpose and need.

Appendices

Appendix J

Acronyms

Appendix J

Acronyms

AB	Assembly Bill
ACTC	Amador County Transportation Commission
ADA	American Disabilities Act
AOG	Association of Governments
ARRA	American Recovery and Reinvestment Act of 2009
CALCOG	The California Association of Councils of Governments
CAPM	Capital Preventative Maintenance
CMIA	Corridor Mobility Improvement Account
COG	Council of Governments
CSMP	Corridor System Management Plan
CTC	California Transportation Commission
DOF	Department of Finance
DSMP	District System Management Plan
EDCTC	El Dorado County Transportation Commission
FY	Fiscal Year
IQA	Independent Quality Assurance
ITIP	Interregional Transportation Improvement Program
LAMTA	Los Angeles Metropolitan Transit Authority
LAO	Legislative Analyst Office
MTC	Metropolitan Transportation Commission
OCTA	Orange County Transportation Authority
PA&ED	Project Approval and Environmental Document
PDPM	Project Delivery Procedures Manual
PDT	Project Development Team
PEAR	Preliminary Environmental Analysis Report
PID	Project Initiation Document
PPM	Planning, Programming, and Monitoring Fund
PSR	Project Study Report
PSR-PDS	Project Study Report/Project Development Support
QA	Quality Assurance
QC	Quality Control
RCTC	Riverside County Transportation Commission
RTIP	Regional Transportation Improvement Program
RTP	Regional Transportation Plan
RTPA	Regional Transportation Planning Agency

Acronyms continued:

SACOG	Sacramento Area Council of Governments
SAFETEA-LU	Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users
SAMTRANS	San Mateo County Transit district
SANBAG	San Bernardino Associated Governments
SANDAG	San Diego Association of Governments
SB	Senate Bill
SBCAG	Santa Barbara County of Associated Governments
SCVTA	Santa Clara Valley Transportation Authority
SHA	State Highway Account
SHOPP	State Highway Operations and Protection Program
SHS	State Highway System
SJCOG	San Joaquin Council of Governments
STIP	State Transportation Improvement Program
TAM	Transportation Authority of Marin
TAMC	Transportation Agency for Monterey County
TCR	Transportation Concept Reports
TCRF	Traffic Congestion Relief Fund
TE	Transportation Enhancement
TFA	Transportation Facilities Account
TIF	Transportation Investment Fund

Appendices

Appendix K

Comments Incorporated into the PID Strategic Plan

Appendix K

Comments on the March 1, 2010 PID Strategic Plan

Caltrans collaborated with regional partners to review and comment on two separate drafts of the PID Strategic Plan. For the first round, Caltrans received 323 individual comments from Caltrans districts and headquarters HQ divisions and regional agencies on the December 15, 2009 Draft PID Strategic Plan. On this particular version of the document, 20 comments were submitted by regional agencies while 303 comments were submitted by Caltrans districts and various HQ divisions. For the final round of comments, 323 comments, 146 comments were incorporated into the March 1, 2010 Final PID Strategic Plan and 51 comments will be further evaluated and incorporated into future Strategic Plan updates. The other remaining comments were either duplicate remarks that were already incorporated into the strategic plan or did not contain enough information to make any changes to the strategic plan.

For more information on the comments that were incorporated into the March 1, 2010 PID Strategic Plan and the comments will be further evaluated and incorporated into future Strategic Plan updates, please visit:

http://www.dot.ca.gov/hq/tpp/offices/oppc/index.html